

Assembly Bill No. 3000

CHAPTER 1124

An act to amend Sections 7342 and 17591 of the Business and Professions Code, to amend Section 1540 of the Code of Civil Procedure, to amend Section 37220.6 of, and to add and repeal Section 37220.8 of, the Education Code, to amend Sections 910.4, 915.2, 935.7, 7299.4, 7299.6, 10205, 13103.5, 13915, 14612, 15323.5, 16429.1, 16475, 16475.5, 16724.6, 16727, 16731.6, 17551, 17558.5, 17561, 17562, and 17564 of, to amend, repeal, and add Section 12439 of, to add Sections 14612.5, 14669.21, 15320, 15364.725, 15605.5, and 16320 to, and to add and repeal Section 68087 of, the Government Code, to amend Sections 18909, 18913, 18937, 18938, 18942, and 18943 of the Health and Safety Code, to add Section 12907 to the Insurance Code, to amend Sections 62.5, 142, 142.3, and 1777.5 of, and to repeal Section 142.6 of, the Labor Code, to amend Sections 830.5, 1203.1d, 6045.8, and 13601 of, to add Section 2933.3 to, and to add and repeal Section 1465.7 of, the Penal Code, to amend Sections 309.5 and 3340 of the Public Utilities Code, to amend Sections 13563, 19521, and 40016 of, and to add Section 30018 to, the Revenue and Taxation Code, to amend Section 13260 of the Water Code, and to amend Section 3053 of, and to add Section 3055 to, the Welfare and Institutions Code, relating to state and local government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 30, 2002. Filed
with Secretary of State September 30, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3000, Committee on Budget. State and local government.

(1) Existing law provides for the licensing and regulation of persons engaged in barbering and cosmetology by the Bureau of Barbering and Cosmetology of the Department of Consumer Affairs. Existing law establishes the conditions for issuance of a license by the bureau.

This bill would require the bureau to issue the license on the same day as an applicant satisfactorily passes the examination.

(2) Existing law prohibits certain unfair business practices, including certain advertising practices. Existing law, effective January 1, 2003, requires the Attorney General to maintain a "do not call" list, containing the telephone numbers and ZIP Codes of residential or wireless telephone subscribers who do not wish to receive unsolicited and unwanted telephone calls from telephone solicitors and prohibits

solicitors from calling those numbers, subject to certain exceptions. Existing law requires fees paid in connection with the “do not call” list to be deposited in the Special Telephone Solicitors Fund, including a fee charged by the Attorney General to subscribers, which may not exceed \$1 on a triennial basis.

This bill would provide that this fee may not exceed \$5 on a triennial basis.

(3) Existing law provides for the payment of interest at specified rates on the amount of unclaimed property claims, overpayments of estate taxes, and overpayments of corporation taxes.

This bill would provide that the interest rate shall be the lesser of 5% or the bond equivalent rate of 13-week United States Treasury bills, as specified.

(4) Existing law creates the Cesar Chavez Day of Service and Learning program and authorizes the California Commission on Improving Life Through Service to make grants to local and state operated Americorps or Conservation Corps programs that submit proposals to engage pupils through their schools and school districts in community service that qualifies as instructional time on Cesar Chavez Day and that honors the life and work of Cesar Chavez, and makes an annual appropriation of \$5,000,000 for these purposes.

This bill instead would provide that the Governor’s Office on Service and Volunteerism shall administer the program. The bill also would authorize the Governor’s Office on Service and Volunteerism to make grants to community-based organizations that have a capacity to design and implement high quality service and learning opportunities to pupils in kindergarten and in grades 1 to 12, inclusive.

(5) Existing law establishes the holidays to which state employees in the executive branch of government, including the Legislative Counsel and the employees of the Legislative Counsel Bureau, are entitled.

This bill would require that the Legislative Counsel and the employees of the Legislative Counsel Bureau observe any holiday to which the Legislative Counsel and the employees of the Legislative Counsel Bureau are entitled and that is also observed by the Legislature on the same day that the holiday is observed by the Legislature.

(6) The existing Tort Claims Act provides for the liability and immunity of a governmental entity for its acts or omissions that cause harm to persons. Existing law provides that any claim for money or damages against the state or local agency is required to be presented to the State Board of Control, in the case of a claim made against the state, or a local board, in the case of a claim made against a local agency, within a specified period of time. Existing law permits the appropriate board to provide forms specifying the information required to be contained in the



claim and specifies the circumstances under which a claim is deemed to have been presented in conformity with law.

This bill would instead require the appropriate board to provide those forms and would require each claim made against the public entity to be presented using those forms, as specified. By requiring a board of a local agency to provide those forms, the bill would impose a state-mandated local program.

Existing law requires a claim to be acted on within 45 days after the claim has been presented. Existing law specifies that a claim is deemed to have been presented and received at the time it is deposited in the United States mail system.

This bill would provide that any period of notice and any duty to respond after receipt of service of a claim, amendment, application, or notice is extended for a specified period of days depending upon whether the place of address is within California, the United States, or outside the United States.

Existing law permits the Department of Transportation to adjust and pay any claim against the department if, among other things, the amount paid is \$1,000 or less.

This bill would increase that applicable amount to \$5,000 or less.

Other provisions of existing law have renamed the State Board of Control the Victim Compensation and Government Claims Board.

This bill would amend the references to the State Board of Control in the Tort Claims Act to refer to the Victim Compensation and Government Claims Board.

(7) The Dymally-Alatorre Bilingual Services Act requires each state agency to conduct a survey of its local offices every 2 years regarding their public contact positions and the provision of bilingual services as specified. Existing law also requires the State Personnel Board to compile the results of the survey, and provide it in a report to the Legislature every 2 years.

This bill would require the survey to include additional information, as specified. The bill would require each state agency to conduct an assessment and to develop and update an implementation plan that complies with the act. The bill would require the implementation plan to include specified information regarding the agency's procedures used to implement the act. The bill would revise and expand the duties of the State Personnel Board with regard to the surveys and implementation plans, and the report required to be submitted by the board.

(8) Existing law requires the Controller, commencing July 1, 2001, to abolish any state position that was vacant continuously for 6 consecutive monthly pay periods during the period between July 1 and June 30 of the preceding fiscal year. Existing law also requires that



positions that were continuously vacant for 6 consecutive monthly pay periods during a fiscal year because of a hiring freeze in effect during part or all of that period be abolished unless the Director of Finance is notified of the need for, and approves of, the continuance of the positions. Existing law provides that the only exceptions to abolishment under these provisions are positions exempt from civil service or instructional and instruction-related positions authorized for the California State University. Existing law also imposes upon the Controller reporting requirements related to these provisions.

This bill would, operative July 1, 2002, repeal and reenact these provisions. The bill would specify that the 6 consecutive monthly pay periods need not occur within a single fiscal year. The bill would also permit the Director of Finance to authorize the reestablishment of positions abolished under these provisions for certain additional reasons, would require the Controller to reestablish positions if specified criteria are met, would modify the Controller's reporting requirements, and would impose specified reporting requirements on each state department, as defined.

(9) Existing law requires the Department of Finance to prepare an annual audit report examining any expenditures made pursuant to allocations authorized to be made from the Transportation Investment Fund pursuant to specified provisions of the California Constitution, and to make the report available to the public and submit it to both houses of the Legislature.

This bill, instead, would authorize the department to perform audits, as it deems necessary, of the allocations or expenditures made in accordance with those constitutional provisions, and would require that any audit performed be reported to both houses of the Legislature. It would also make a technical, nonsubstantive change.

(10) Existing law requires the Department of General Services to commit itself to 2 specified categories of services, and sets forth the conditions pursuant to which the director of the department, notwithstanding existing statutes and regulations, is required or authorized, among other things, to transfer funds, provide relief from accountability for debts, procure goods from the private sector even though the goods may be available through the Prison Industry Authority, certify funds for the payment of specified legal settlements and tort claims, and approve specified departmental forms in lieu of the Director of Finance.

Existing law also exempts state agencies from using the Office of State Publishing for their printing needs and requires state agencies, when soliciting bids for printing services from the private sector, to solicit a



bid from the Office of State Publishing when the project is anticipated to cost more than \$5,000.

Existing law provides that these provisions become inoperative on the effective date of the Budget Act of 2002, or June 30, 2002, whichever occurs later, and are repealed on January 1, 2003.

This bill would provide that these provisions shall remain operative only until the effective date of the Budget Act of 2003, or June 30, 2003, whichever occurs later, and as of January 1, 2004, are repealed.

Existing law permits the state to enter into personal services contracts only when specified criteria are met.

This bill would provide that for state printing procurement purposes, printing is not considered a personal service contract.

(11) Existing law authorizes the Director of General Services to hire, lease, lease-purchase, or lease with the option to purchase any real or personal property for the use of any state agency, if the director deems the hiring or leasing is in the best interests of the state.

This bill would authorize the director to acquire, develop, design, and construct a regional criminal justice laboratory, necessary infrastructure, and related parking on the California State University's Los Angeles campus. The director would also be authorized to enter into a long-term ground lease, for 75 years, with the Trustees of the California State University for the land, within the Los Angeles campus, upon which the project would be constructed. This bill would authorize the State Public Works Board to issue lease revenue bonds, negotiable notes, or negotiable bond anticipation notes, not to exceed \$92,000,000 plus additional specified sums, for the acquisition, development, design, and construction of the project. The board and the Office of Criminal Justice Planning would be authorized to borrow funds for project costs from the Pooled Money Investment Account or from any other appropriate source. This bill would provide that if the authorized bonds are not sold, the Office of Criminal Justice Planning shall commit a sufficient amount of its support appropriation to repay any loans made for the project.

This bill would authorize the Office of Criminal Justice Planning to execute a contract with the board for the lease of the regional crime laboratory facilities that are financed with the proceeds of the board's bonds. This bill would also authorize the Office of Criminal Justice Planning, with the consent of the board and the Department of General Services, to enter into contracts and subleases with specified parties for the use, maintenance, and operation of the regional crime laboratory facilities. This bill would require the Department of General Services to assign the ground lease to the Los Angeles Regional Crime Laboratory Facility Authority, or its successor agency, once the specified bonds or notes have been paid in full.



(12) Existing law generally sets forth the duties of the Technology, Trade, and Commerce Agency in developing and implementing various programs for the promotion of economic opportunities in the state.

This bill would require the agency to develop an agencywide strategic plan covering a minimum of five years, and to include specified components, in order to better integrate program efforts and to highlight current state priorities. It would require the agency to ensure that short-term plans for programs within the agency are aligned with the agencywide strategic plan, and, commencing February 15, 2003, to report annually to specified committees of the Legislature on its progress in implementing a strategic approach to its planning.

(13) Existing law creates within state government the Technology, Trade, and Commerce Agency and requires it to maintain regional offices in specified locations in the state, including the greater San Diego area. Under existing law, the San Diego regional office is required at least annually to make recommendations to the Governor and Legislature to improve the economic status of the San Diego border area.

This bill would authorize, rather than require, the agency to maintain regional offices in these specified locations. The bill would additionally authorize the agency to maintain regional offices in other areas of the state. The bill would also require the San Diego regional office to submit as appropriate rather than annually.

Existing law provides for the establishment of international trade and investment offices and the administration of those offices by the International Trade and Investment Division within the Technology, Trade, and Commerce Agency.

This bill would require the proponent of any new international trade and investment office to submit a proposed business plan for the office, with specified information, to the agency. It would require the agency, to the extent funds are available for that purpose, to evaluate the business plans and submit the evaluations to the Legislature.

The bill would require each international trade and investment office to annually provide specified baseline information and a report to the agency, and would require the agency to submit these annual reports to the Legislature.

(14) The California Constitution provides that specified persons are exempt from civil service. Existing law requires the Governor to determine the distribution in executive agencies of deputies or employees selected pursuant to specified provisions of the California Constitution. Existing law also imposes various duties on the State Board of Equalization.



This bill would authorize each member of the State Board of Equalization to request that the Governor convert one civil service position of the board to be exempt from civil service, as provided.

(15) Existing law establishes the California Victim Compensation and Government Claims Board consisting of the Director of General Services, the Controller, and a 3rd member appointed by the Governor. Existing law requires the board to schedule its meetings for the purposes of receiving and acting upon claims so that meetings are held in southern California at least once in every 2 consecutive calendar months, and to hear a claim at the location designated as a preferred location where the board holds its meetings.

This bill instead would require the board to hold regular meetings in Sacramento and would authorize other meetings within the state as a majority of the board directs.

(16) Existing law establishes and authorizes the expenditure of moneys from various accounts and funds in the State Treasury, including continuously appropriated funds. Existing law authorizes loans between accounts and funds under specified circumstances and subject to specified conditions, and sets forth the duties of the Director of Finance in that regard.

This bill would authorize, unless otherwise prohibited by law, moneys in the State Treasury to be loaned from one state fund or account to any other state fund or account to address the 2002–03 fiscal year budgetary shortfall, subject to specified conditions. It would authorize the Director of Finance to order the repayment of all or a portion of any of these loans if he or she determines that either of specified circumstances exists, and to make specified reports to the Chairperson of the Joint Legislative Budget Committee with respect to the loans. By providing for the addition of moneys to continuously appropriated funds, this bill would make an appropriation.

(17) Existing law establishes in the State Treasury the continuously appropriated Local Agency Investment Fund to which a local agency, local governmental unit, or local governmental official, with the consent of the governing body of the agency, may remit money in its treasury that is not required for immediate needs for the purpose of investment to be held for a time determined by the local governmental unit. Existing law requires, immediately at the conclusion of each calendar quarter, that all interest earned and other increment derived from investments be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts remained therein.



Existing law requires, however, that an amount equal to the reasonable costs incurred in carrying out duties related to the administration of the fund, not to exceed $\frac{1}{2}$ of 1% of the earnings of the fund, be deducted from the earnings prior to distribution, and that this amount be credited as reimbursements to the state agencies having incurred costs in carrying out duties related to the administration of the fund.

This bill would specify that these state agencies include the Treasurer, the Controller, and the Department of Finance.

Existing law requires moneys in the Surplus Money Investment Fund to be invested by the State Treasurer as a part of the Pooled Money Investment Account. Existing law requires, as of each December 31 and June 30, that all interest earned and other increment derived from these investments, upon order of the Controller, to be deposited into the Surplus Money Investment Fund. Existing law further requires the Controller, after deducting an amount equal to the reasonable costs incurred by the Treasurer and the Controller in carrying out provisions related to the Surplus Money Investment Fund, to apportion interest earned and other increment derived from these investments into various funds. Existing law also provides that as of December 31 and June 30 each year all interest earned and other increment derived from investment of money in the Fish and Game Preservation Fund, less related expenses concerning investment of those funds incurred by the Treasurer and the Controller, shall be transferred to the Fish and Game Preservation Fund.

This bill would require the amount of the deductions described above also to include costs incurred by the Department of Finance in carrying out these investment provisions.

The General Obligation Bond Law prescribes the contents of state general obligation bond acts and the process by which these bonds are sold and issued. This law requires that there be transferred from any bond fund created for the proceeds of sales of state general obligation bonds, the amounts necessary to reimburse the Treasurer for specified expenses, including expenses incurred in administering loans from the Pooled Money Investment Account to the bond fund.

This bill instead would provide that there be transferred from any bond fund created for the proceeds of sales of state general obligation bonds, the amounts necessary to reimburse the Treasurer, the Controller, and the Department of Finance for these specified expenses, and would include within these expenses those incurred in administering or reviewing loans from the Pooled Money Investment Account to the bond fund, including review by the Public Works Board staff. The General Obligation Bond Law also specifies the purposes for which proceeds from the sale of bonds issued pursuant to that law may be used, with one of these



purposes being payment of the costs of a state agency with responsibility for administering the bond program.

This bill would specify that these costs include those incurred by the Treasurer, the Controller, the Department of Finance, and, for the Public Works Board, for staff, operating expenses and equipment, and consultants' costs.

Existing law appropriates \$250,000 from the General Fund without regard to fiscal years, to be set aside in the State Notes Expense Account, to be used to pay expenses incurred by the Treasurer in providing for the preparation, sale, issuance, advertising, legal services, or any other act which, in the Treasurer's discretion, is necessary to carry out provisions of law relating to the issuance of warrants by the Controller.

This bill, in addition, would allow these funds to be used by the Controller or the Department of Finance, to pay the expenses for the services described above, or any other act which in the discretion of either the Treasurer or the Department of Finance is necessary to carry out those provisions of law. By expanding the purposes for which these funds may be used, this bill would constitute an appropriation.

(18) Existing law provides for the assessment of specified fees in connection with civil court proceedings to pay for trial court costs.

This bill would institute a state surcharge of 10% on specified fees connected with civil court proceedings, to be levied in addition to any other court-related fee. The bill would specify that this provision would remain in effect only until July 1, 2007.

Existing law imposes a state penalty, in a specified amount, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses other than parking offenses.

This bill would impose a 20% surcharge on the criminal fine used to calculate this state penalty, to be levied in addition to the state penalty. The bill would specify that this provision would remain in effect only until July 1, 2007.

Existing law allows the board of supervisors of a county to determine the order of priority in which disbursements are made from funds provided by installment payments on criminal fines and fees, or collected by the Franchise Tax Board for criminal fines and fees that are delinquent. Existing law also allows the board of supervisors to determine the priority of payment between court orders or parts of orders when defendants have been ordered to pay more than one court order.

This bill would require the board of supervisors to mandate the following order of priority for disbursement of these funds: (a) restitution to the victim; (b) the 10% state surcharge; (c) fines, penalty assessments, and restitution fines, in an amount for each that is proportional to the total amount levied for all of those items; and (d)



other reimbursable costs. The bill would also require the board of supervisors to apply these priorities to orders or parts of orders when defendants have been ordered to pay more than one court order.

(19) Existing law requires the Commission on State Mandates to hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required under the California Constitution.

This bill would authorize the commission to review claims only if the test claim is filed not later than 3 years following the date the mandate became effective, or in the case of mandates that became effective before January 1, 2002, one year from the effective date of this act.

Existing law requires the Controller to notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review by the Controller.

This bill would require the notice to specify the interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district.

Existing law prescribes the time for submitting claims for reimbursement and requires that any claim for initial reimbursement that is filed after the filing deadline be reduced by 10% of the amount that would have been allowed had the claim been timely filed, provided that the reduction does not exceed \$1,000.

This bill would delete the \$1,000 limit on the claim reduction.

Existing law declares the intent of the Legislature to establish a method for regularly reviewing the costs of state-mandated local programs.

This bill would require the Controller and the Legislative Analyst to submit reports regarding mandates, as specified, and would require the Legislative Analyst to make recommendations on whether certain mandates should be repealed, funded, suspended, or modified.

Existing law prohibits claims and payments on claims unless the claims exceed \$200, but permits a county superintendent of schools or a county to submit combined claims on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds \$200.

This bill would increase the minimum amount that may be claimed and the minimum claim payment from in excess of \$200 to in excess of \$1,000.

(20) The California Building Standards Law requires all state agencies, including the Occupational Safety and Health Standards Board, that adopt or propose adoption of any building standard to submit



the building standard to the California Building Standards Commission for approval or adoption.

This bill would exempt from these requirements any regulation adopted by the Occupational Safety and Health Standards Board and make various conforming changes.

(21) Existing law makes the Department of Insurance responsible for regulating the business of insurance and authorizes its commissioner to employ a staff to discharge those duties.

This bill would require that appointment to 3 designated positions within the department be made by the Governor and would provide that the positions are exempt from the state civil service system.

(22) Existing law establishes the Workers' Compensation Administration Revolving Fund as a special account in the State Treasury. Under existing law, money in the fund may be expended for the administration of the workers' compensation program, pursuant to specified provisions of law, except as provided, and may not be used for any other purpose.

This bill instead would provide that money in the Workers' Compensation Administration Revolving Fund may not be used for any but the specified purposes, except as determined by the Legislature.

Existing law requires contractors on public works who employ journeymen or apprentices to contribute to the Apprenticeship Training Contribution Fund from which funds are continuously appropriated to administer certain apprenticeship programs and to make prescribed grants to apprenticeship programs at the end of each fiscal year.

This bill would postpone, until the 2003–04 fiscal year, the making of grants to apprenticeship programs. This bill also would permit the Division of Apprenticeship Standards to utilize moneys in the fund for the general expenses of that division and thereby would make an appropriation from a special fund.

(23) Under existing law, certain persons are designated as peace officers whose authority extends to any place in the state while engaged in the performance of the duties of their respective employment and for the purpose of carrying out the primary function of their employment or as required when an emergency has been declared, or in furtherance of certain mutual aid agreements. Pursuant to these provisions, peace officers may carry firearms as authorized and under the terms and conditions specified by their employers. Existing law includes in this category of peace officers any medical technical assistant series employee designated by the Director of Corrections or designated by the Director of Corrections and employed by the State Department of Mental Health to work in the California Medical Facility.



This bill would delete the requirement that these medical technical assistant series employees work in the California Medical Facility to be peace officers.

The Public Employees' Retirement Law provides increased benefits and higher contribution rates for peace officer/firefighter members than those provided for state miscellaneous members. Member contributions are deposited in the Public Employees' Retirement Fund, a continuously appropriated special fund.

Because this bill would provide that more medical technical assistant service employees are peace officers, thereby including these additional employees within the category of peace officer/firefighter members, it would make an appropriation by increasing the amount of employee contributions to the Public Employees' Retirement Fund.

Existing law authorizes the Department of Corrections to reduce a prisoner's sentenced term of imprisonment through the accumulation of worktime credits by performance in work, training, and education programs established by the Director of Corrections. Existing law specifies that for every 6 months of full-time performance in a credit qualifying program, as designated by the director, a prisoner shall be awarded worktime credit reductions from his or her term of confinement of 6 months, as specified. However, existing law provides that under no circumstances shall any prisoner receive more than 6 months' credit reduction for any 6-month period.

This bill would provide that any inmate assigned to a conservation camp by the Department of Corrections who is eligible to earn one day of worktime credit for every one day of service pursuant to existing law shall instead earn 2 days of worktime credit for every one day of service, as specified.

Under existing law, a person convicted of a crime who is addicted, or in imminent danger of becoming addicted, to narcotics may be committed for treatment by the Department of Corrections to the narcotic detention, treatment, and rehabilitation facility, as specified. Under existing law, if at any time the director concludes that a person at the facility, because of excessive criminality or for other relevant reason, is not a fit subject for confinement or treatment in the facility, the director shall return the person to the court in which the case originated for such further proceedings on the criminal charges as that court may deem warranted. Under existing law the director is not explicitly authorized to limit the number of persons who may be committed to the facility or to refer a person committed to the facility back to court in order to achieve this limit.

This bill would specify that eligibility for treatment pursuant to Proposition 36, an initiative statute that provides for narcotics treatment



in lieu of incarceration in specified circumstances, would be a proper reason for the return of a person to court by the director. This bill would specify that the director is authorized to limit the number of persons who may be committed to the facility and that the director may refer a committed person back to the court in which the committed person's case originated, in order to achieve the limit.

(24) Existing law provides that commencing on June 30, 2000, and annually thereafter until December 31, 2004, the Board of Corrections, in consultation with other state agencies, shall submit a report to the Legislature assessing mentally ill offender crime reduction grants, as specified.

This bill, in addition, would require an interim report be submitted on March 1, 2003.

(25) Existing law establishes within the Youth and Adult Correctional Agency a Commission on Correctional Peace Officer Standards and Training, known as CPOST. CPOST is required to develop, approve, and monitor standards for the selection and training of state correctional peace officers apprentices. Those standards are subject to approval by the State Personnel Board. The State Personnel Board is required to ensure that, prior to training, each applicant who has otherwise qualified in all physical and other testing requirements to be a peace officer in a youth or adult correctional facility, is determined to be free from emotional and mental conditions that might adversely affect the exercise of his or her duties and powers as a peace officer.

This bill would expand the latter provision to additionally require the Department of the Youth Authority to ensure that applicants are determined to be free from those emotional and mental conditions.

(26) Existing law, the Public Utilities Act, establishes the Office of Ratepayer Advocates (division) within the Public Utilities Commission to represent the interests of public utility customers and subscribers within the jurisdiction of the commission by obtaining the lowest possible rate for service consistent with reliable and safe service levels. The act requires that the annual budget for the division be separately identified in the commission annual budget request.

This bill instead would require the commission, on or before January 10 of each year, to provide the chairs of the fiscal committee of each house of the Legislature and to the Joint Legislative Budget Committee the number of personnel years assigned to the division, the total dollars expended by the division in the prior year, the estimated dollars expended in the current year, the total dollars proposed for appropriation in the budget year, and the workload standards and measures for the division.



Under existing law, the California Consumer Power and Conservation Financing Authority is charged with various duties relating to the financing and constructing of generating facilities and other projects to supplement private and public sector power supplies, financing programs to encourage consumers and businesses to invest energy efficiency programs to reduce the demand for energy in California, and financing retrofits of electric powerplants to improve the efficiency and environmental performances of those powerplants. Under existing law, the chief executive officer of the authority is authorized to contract for the services of other officers or employees, subject to the approval of the board. Under existing law, those contracts are not subject to otherwise applicable provisions of the Government Code and the Public Contract Code.

This bill would delete the provision exempting those contracts from the provisions of the Government Code and the Public Contract Code.

(27) The Cigarette and Tobacco Products Tax Law requires that an appropriate stamp be affixed to, or that an appropriate meter impression be made upon, each package of cigarettes prior to distribution.

This bill would define “stamps and meter impressions” for purposes of this requirement. This bill would also require the State Board of Equalization to prescribe and approve the types, and the method of applying, stamps and meter impressions.

(28) The Energy Surcharge Law imposes a surcharge on the consumption of electrical energy purchased from an electric utility at a rate fixed by the State Board of Equalization, as specified.

This bill would, with respect to electrical energy purchased from an electric utility on or after January 1, 2003, require that the rate not exceed \$0.0003 per kilowatt-hour, or a lower rate fixed by the Energy Commission at a public meeting held each November for the following calendar year.

(29) The Porter-Cologne Water Quality Control Act imposes on a person for whom waste discharge requirements have been prescribed, an annual fee established by the State Water Resources Control Board, not to exceed \$10,000, with the fees calculated based on total flow, volume, number of animals, and area involved. Existing law requires fees that are collected to be deposited in the Waste Discharge Permit Fund, which is expended, upon appropriation, for purposes of carrying out the act.

This bill would increase the fee limit to not more than \$20,000, would require the state board, in calculating the amount of fees, to also base the fees on the threat to water quality, and would require the maximum fee amount to be adjusted annually to reflect changes in the cost of living as measured by the Consumer Price Index prepared by the Department of Industrial Relations or a successor agency.



(30) Existing law authorizes the Legislature to provide for minimum wage and for the general welfare of employees, and for those purposes, to confer on a commission legislative, executive, and judicial powers. Under existing law, the Department of Industrial Relations is responsible for investigation and enforcement of the labor laws, including, but not limited to, the laws governing safe and healthful working conditions on the job, wages, hours of work, and conditions of employment.

This bill would require the Department of Industrial Relations to procure a case management system that has the capability to ultimately provide the public with free, web-based access to a searchable database containing information regarding the status of all complaints, citations, and administrative proceedings of the department, as specified.

(31) Existing law establishes the Department of the Youth Authority for the commitment of certain youthful offenders.

This bill would require the Department of the Youth Authority to submit to the Department of Finance and the fiscal committees of the Legislature on or before November 1, 2002, a written plan to close at least 3 other facilities by June 30, 2007. The bill would also require the Department of the Youth Authority to close one of those facilities pursuant to the plan by June 30, 2004, as specified.

(32) Existing law establishes the Renewable Resources Trust Fund, a continuously appropriated fund appropriated to the State Energy Resources Conservation and Development Commission, for the purposes of funding programs designed to foster the development of new in-state renewable electricity generation technology facilities, and to secure for the state the environmental, economic, and reliability benefits that continued operation of those facilities provides.

Existing law establishes the California Consumer Power and Conservation Financing Authority (Power Authority), with certain powers and responsibilities, including the issuance of up to \$5,000,000,000 of revenue bonds, augmenting electrical generating facilities, to ensure a sufficient and reliable supply of electricity, providing financial incentives for investment in cost-effective energy-efficient appliances and energy demand reduction, and providing financing for the retrofit of inefficient electrical powerplants, renewable energy, and conservation. Existing law establishes in the State Treasury the California Consumer Power and Conservation Financing Authority Fund, a continuously appropriated fund, for the support of the Power Authority.

This bill would authorize funds in the Renewable Resources Trust Fund to be expended for a loan to the California Consumer Power and Conservation Financing Authority Fund in an amount not to exceed



\$8,900,000. The bill would further provide the terms for repayment of the loan, including that it be repaid by June 30, 2004. If not repaid, the bill would appropriate moneys for a loan from the Energy Resources Program account in the General Fund to repay the balance owed the Renewable Resources Trust Fund.

(33) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that no reimbursement shall be made from the State Mandates Claims Fund for costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.

(34) The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 7342 of the Business and Professions Code is amended to read:

7342. Licenses in the practice of the occupation for which the license was sought shall be issued by the bureau to any applicant who satisfactorily passes an examination, who possesses the other qualifications required by law and who has remitted the license fee required by this chapter. The license shall entitle the holder to engage in the practice of that occupation in a licensed establishment. The license shall be issued by the bureau on the same day that the applicant satisfactorily passes the examination.

SEC. 2. Section 17591 of the Business and Professions Code is amended to read:

17591. (a) The Attorney General shall not later than January 1, 2003, maintain a “do not call” list, updated no less frequently than quarterly, which shall set forth the California telephone numbers and ZIP Codes, but not the names or addresses, of subscribers, arranged by area code and numerical sequence, who do not wish to receive unsolicited and unwanted telephone calls from telephone solicitors as defined in Section 17592. The “do not call” list shall indicate any exclusions designated by the subscriber as provided in subdivision (b).

(b) Subscribers may place their telephone numbers and ZIP Codes on the “do not call” list in the manner prescribed by the Attorney General.



The subscriber's placement on the "do not call" list shall expire three years after the date on which the subscriber's telephone number and ZIP Code first became available on the list to telephone solicitors. The Attorney General shall triennially charge these subscribers a fee not to exceed five dollars (\$5). A subscriber may exclude from the coverage of the "do not call" list telephone calls from entities identified by the subscriber. The subscriber shall designate any exclusions in the manner prescribed by the Attorney General.

(c) Telephone solicitors, as defined in Section 17592, shall obtain copies of the "do not call" list by paying a fee to the Attorney General in an amount not to exceed the costs incurred by the Attorney General in the preparation, maintenance, production, and distribution of that list. The Attorney General shall establish a sliding scale fee schedule, charging a telephone solicitor with more than 1,000 employees or independent contractors the maximum fee and charging a telephone solicitor with fewer than five full-time employees no fee. The Attorney General shall provide a telephone solicitor the option of paying this fee on a quarterly or annual basis. The Attorney General shall offer a statewide list and shall also offer lists of areas within the state. The determination of the number and definition of areas shall be within the discretion of the Attorney General.

(d) The Attorney General shall utilize the best available, cost-effective technology to ensure that subscribers may easily place their telephone numbers on the "do not call" list. This technology includes, but is not limited to, methods by which a subscriber may effect placement on the list by using a state-designated Internet Web site or a designated, statewide toll-free telephone number. When the subscriber utilizes the toll-free telephone number method, the subscriber shall call from the telephone that is also the number to be included on the list. The Attorney General shall also utilize the best available, cost-effective technology to ensure that telephone solicitors may easily obtain and manipulate the "do not call" list. This technology may include, but is not limited to, methods that are computer compatible and that allow the downloading of the list and the sorting of the list by ZIP Code and that make the list available on CD-ROM. The Attorney General may contract with a private vendor to establish, maintain, and administer the "do not call" list and a contract entered into in that regard shall include appropriate provisions to protect the confidentiality of subscriber information. The Attorney General may promulgate regulations to implement the provisions of this article.

(e) It is the intent of the Legislature that the fees paid to the Attorney General by telephone solicitors and subscribers be utilized by the Attorney General in carrying out this article. The Attorney General shall



annually reduce the amount of the fee paid by subscribers and telephone solicitors set forth in this section based on revenue history and costs so that the fees do not exceed the actual estimated costs in carrying out this article. The fees obtained by the Attorney General shall be deposited in the Special Telephone Solicitors Fund, which is hereby created. All moneys in the fund shall be subject to annual appropriation in the Budget Act.

(f) A person or entity that obtains a “do not call” list shall not use the list for any purpose other than to comply with this article. These unlawful purposes include, but are not limited to, causing a subscriber to participate in and be included on, the “do not call” list without the subscriber’s knowledge or consent, selling or leasing the “do not call” list to a person other than a telephone solicitor, selling or leasing by a telephone solicitor of the “do not call” list, and a telephone solicitor, either directly or indirectly, persuading a subscriber with whom it has an established business relationship to place his or her telephone number on the “do not call” list, if the solicitation has the effect of preventing competitors from contacting that solicitor’s customers.

SEC. 3. Section 1540 of the Code of Civil Procedure is amended to read:

1540. (a) Any person, excluding another state, who claims an interest in property paid or delivered to the Controller under this chapter may file a claim to the property or to the net proceeds from its sale. The claim shall be on a form prescribed by the Controller and shall be verified by the claimant.

(b) The Controller shall consider each claim within 90 days after it is filed and may hold a hearing and receive evidence. The Controller shall give written notice to the claimant if he or she denies the claim in whole or in part. The notice may be given by mailing it to the address, if any, stated in the claim as the address to which notices are to be sent. If no address is stated in the claim, the notice may be mailed to the address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either an address to which notices are to be sent or an address of the claimant.

(c) The Controller shall add interest at the rate of 5 percent or the bond equivalent rate of 13-week United States Treasury bills, whichever is lower, to the amount of any claim paid the owner under this section for the period the property was on deposit in the Unclaimed Property Fund. No interest shall be payable for any period prior to January 1, 1977. Any interest required to be paid by the state pursuant to this section shall be computed as simple interest, not compound interest. For purposes of this section, the bond equivalent rate of 13-week United States Treasury bills shall be defined in accordance with the following criteria:



(1) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of January shall apply for the following July 1 to December 31, inclusive.

(2) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of July shall apply for the following January 1 to June 30, inclusive.

(d) Any holder who pays to the owner, property that has escheated to the state and that, if claimed from the Controller, would be subject to subdivision (c) may add interest as provided in subdivision (c). This added interest shall be repaid to the holder by the Controller in the same manner as the principal.

(e) For the purposes of this section, “owner” means the person who had legal right to the property prior to its escheat, his or her heirs, or his or her legal representative.

(f) Following a public hearing, the Controller shall adopt guidelines and forms that shall provide specific instructions to assist owners in filing claims pursuant to this article.

SEC. 4. Section 37220.6 of the Education Code is amended to read:

37220.6. (a) There is hereby created the Cesar Chavez Day of Service and Learning program to promote service to the communities of California in honor of the life and work of Cesar Chavez. The program shall be administered by the Governor’s Office on Service and Volunteerism, in collaboration with the California Conservation Corps.

(b) The Governor’s Office on Service and Volunteerism may make grants based on proposals selected through a competitive process from local and state operated Americorps, National Senior Service Corps, Learn and Serve, or Conservation Corps programs that submit proposals to engage pupils through their schools and school districts in community service that qualifies as instructional time on Cesar Chavez Day, pursuant to Section 37220.5, and that honors the life and work of Cesar Chavez. The programs shall be created and organized in consultation with community groups. The Americorps, National Senior Service Corps, Learn and Serve, or Conservation Corps programs may implement or administer the programs in collaboration with community groups and nonprofit organizations. The proposals shall demonstrate all of the following:

(1) The ways and extent to which the program will be a collaborative effort between schools and the Americorps, National Senior Service Corps, Learn and Serve, or Conservation Corps program.

(2) The ways that the service will be connected to instruction on the life and work of Cesar Chavez provided on Cesar Chavez Day.

(3) The way in which the service provided will make a meaningful contribution to the community.



(c) Grants made pursuant to subdivision (b) shall be in the amount of one dollar (\$1) for each participating pupil, or two hundred fifty dollars (\$250) for each school, whichever is greater. The Governor's Office on Service and Volunteerism may, at its discretion, adjust the grant amount to account for school district size, the size of the project, and the demand on existing funding. Under no circumstances may the amount granted exceed the amount of funding appropriated to carry out this section.

(d) In order for the community service performed under this program to be counted as instructional time, the service shall be performed under the supervision of a teacher, as defined in subdivision (a) of Section 46300.

(e) The Superintendent of Public Instruction shall develop or revise, as needed, a model curriculum on the life and work of Cesar Chavez and submit the model curriculum to the State Board of Education for adoption pursuant to subdivision (b) of Section 37220.5. Upon adoption, the Superintendent of Public Instruction shall distribute the model curriculum to each school.

(f) It is the intent of the Legislature that nothing in this section, or in the act that adds this section, shall be construed to impose a mandate on school districts.

(g) For the purposes of this section, "school district" includes school districts, charter schools, and county offices of education.

SEC. 5. Section 37220.8 is added to the Education Code, to read:

37220.8. (a) On and after July 1, 2002, the Governor's Office on Service and Volunteerism may make grants pursuant to subdivision (b) of Section 37220.6 based on proposals selected through a competitive process from community-based organizations with strong capacity to design and implement programs that provide high quality service and learning opportunities to pupils in kindergarten and in grades 1 to 12, inclusive. The proposals shall provide all of the following:

(1) Evidence of tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code for all nongovernmental proposals.

(2) Evidence of strong financial management systems as determined by the Governor's Office on Service and Volunteerism.

(3) Experience designing and implementing youth service and learning programs.

(b) Eligible organizations need not have experience administering government funds, however those organizations that have received government funds must have a history of effectively administering those funds.

(c) Funding for these community-based organizations is limited to one million dollars (\$1,000,000) per year, with single grants not exceed one hundred thousand dollars (\$100,000).



(d) Community-based organizations that do not apply directly to the Governor's Office on Service and Volunteerism for funding pursuant to subdivision (b) of Section 37220.6 remain eligible to receive funds through partnerships with other eligible programs including the programs listed in that subdivision.

(e) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 910.4 of the Government Code is amended to read:

910.4. (a) The board shall provide forms specifying the information to be contained in claims against the public entity. The person presenting a claim shall use the form in order that his or her claim is deemed in conformity with Sections 910 and 910.2. A claim may be returned to the person if it was not presented using the form. Any claim returned to a person may be resubmitted using the appropriate form.

(b) The amendments made to this section by the act adding this subdivision shall become operative six months after the date that act takes effect.

SEC. 7. Section 915.2 of the Government Code is amended to read:

915.2. If a claim, amendment to a claim, or application to a public entity for leave to present a late claim is presented or sent by mail under this chapter, or if any notice under this chapter is given by mail, the claim, amendment, application, or notice shall be mailed in the manner prescribed in this section. The claim, amendment, application or notice shall be deposited in the United States post office, a mailbox, sub-post office, substation, mail chute, or other similar facility regularly maintained by the government of the United States, in a sealed envelope, properly addressed, with postage paid. The claim, amendment, application, or notice shall be deemed to have been presented and received at the time of the deposit. Any period of notice and any duty to respond after receipt of service of a claim, amendment, application, or notice is extended five days upon service by mail, if the place of address is within the State of California, 10 days if the place of address is within the United States, and 20 days if the place of address is outside the United States. Proof of mailing may be made in the manner prescribed by Section 1013a of the Code of Civil Procedure.

SEC. 8. Section 935.7 of the Government Code is amended to read:

935.7. (a) Notwithstanding Section 935.6, the Department of Transportation may adjust and pay any claim arising out of the activities of the department without the prior approval of the California Victim Compensation and Government Claims Board if both of the following conditions exist:



(1) The amount paid is five thousand dollars (\$5,000) or less.

(2) The Director of Finance or the Director of Transportation certifies that a sufficient appropriation for the payment of the claim exists.

(b) If the department elects not to pay any claim, the claim shall be processed by the California Victim Compensation and Government Claims Board in the same manner as any other claim filed against the state.

(c) Any person who submits any claim arising out of any activity of the Department of Transportation shall comply with every other applicable provision of this part relating to claims against state agencies.

SEC. 9. Section 7299.4 of the Government Code is amended to read:

7299.4. (a) Notwithstanding any other provision in this chapter, each state agency shall conduct an assessment and develop and update an implementation plan that complies with the requirements of this chapter.

(b) Each agency shall conduct a survey of each of its local offices every two years to determine all of the following:

(1) The number of public contact positions in each local office.

(2) The number of bilingual employees in public contact positions in each local office, and the languages they speak, other than English.

(3) The number and percentage of non-English-speaking people served by each local office, broken down by native language.

(4) The number of anticipated vacancies in public contact positions.

(5) Whether the use of other available options, including contracted telephone based interpretation services, in addition to bilingual persons in public contact positions, is serving the language needs of the people served by the agency.

(6) A list of all written materials that are required to be translated or otherwise made accessible to non- or limited-English-speaking individuals by Sections 7295.2 and 7295.4.

(7) A list of materials identified in paragraph (5) that have been translated and languages into which they have been translated.

(8) The number of additional bilingual public contact staff, if any, needed at each local office to comply with this chapter.

(9) Any other relevant information requested by the State Personnel Board.

(c) Each agency shall calculate the percentage of non-English-speaking people served by each local office by rounding the percentage arrived at to the nearest whole percentage point.

The survey results shall be reported on forms provided by the State Personnel Board, and delivered to the board not later than March 31 of every even-numbered year beginning with 1992.

(d) Beginning in 2003 and in every even-numbered year thereafter, each state agency shall develop an implementation plan that, at a minimum, addresses all of the following:

(1) The name, position, and contact information of the employee designated by the agency to be responsible for overseeing implementation of the plan.

(2) A description of the agency's procedures for identifying written materials that need to be translated.

(3) A description of the agency's procedures for identifying language needs at local offices and assigning qualified bilingual staff.

(4) A description of how the agency recruits qualified bilingual staff.

(5) A description of any training the agency provides to its staff on the provision of services to non- or limited-English-speaking individuals.

(6) A detailed description of how the agency plans to address any deficiencies in meeting the requirements of this chapter, including, but not limited to, the failure to translate written materials or employ sufficient numbers of qualified bilingual employees in public contact positions at local offices, the proposed actions to be taken to address the deficiencies, and the proposed dates by when the deficiencies can be remedied.

(7) A description of the agency's procedures for accepting and resolving complaints of an alleged violation of this chapter.

(8) A description of how the agency complies with any federal or other state laws that require the provision of linguistically accessible services to the public.

(9) Any other relevant information requested by the State Personnel Board.

(e) In developing its implementation plan in 2003, each state agency may rely upon data gathered from its 2002 survey.

(f) Each state agency shall submit its implementation plan to the State Personnel Board no later than October 1 of each applicable year. The board shall review each plan, and, if it determines that the plan fails to address the identified deficiencies, the board shall order the agency to supplement or make changes to its plan. A state agency that has been determined to be deficient shall report to the State Personnel Board every six months on its progress in addressing the identified deficiencies.

(g) If the board determines that a state agency has not made reasonable progress toward complying with this chapter, the board may issue orders that it deems appropriate to effectuate the purposes of this chapter.

SEC. 10. Section 7299.6 of the Government Code is amended to read:

7299.6. The State Personnel Board shall review the results of the surveys and implementation plans required to be made by Section 7299.4, compile this data, and provide a report to the Legislature every two years. The report shall identify significant problems or deficiencies and propose solutions where warranted.

SEC. 11. Section 10205 of the Government Code is amended to read:

10205. (a) The Legislative Counsel may employ and fix the compensation, in accordance with law, of such professional assistants and clerical and other employees as he or she deems necessary for the effective conduct of the work under his or her charge.

(b) The Legislative Counsel and the employees of the Legislative Counsel Bureau shall, to the extent that funds appropriated for the support of the Legislative Counsel Bureau include funds for that purpose, receive any or all of the employee benefits provided to employees of either house of the Legislature. The benefits that are authorized by this subdivision shall be in addition to any other employee benefits authorized by any other provision of law.

(c) Notwithstanding subdivision (c) of Section 19853, the Legislative Counsel and the employees of the Legislative Counsel Bureau shall observe any holiday designated pursuant to subdivision (c) of Section 19853, that is also observed by the Legislature, on the same day that the holiday is observed by the Legislature.

SEC. 12. Section 12439 of the Government Code is amended to read:

12439. (a) Beginning July 1, 2001, and on each July 1 thereafter, the Controller shall abolish any state position that was vacant continuously for six consecutive monthly pay periods during the period between July 1 and June 30 of the preceding fiscal year. Those positions that were continuously vacant for six consecutive monthly pay periods during a fiscal year because of a hiring freeze in effect during part or all of the period shall also be abolished unless the need for continuing these positions is provided in written notice to, and approval is granted by, the Director of Finance.

(b) If late enactment of the annual Budget Act contributes to the abolishment of any proposed new position or positions, or if significant recruitment problems for hard-to-fill classifications, as determined by the Department of Finance, contribute to the abolishment of positions, a state agency may submit a written request for reestablishment of the positions to the Director of Finance. The positions may be reestablished upon approval granted by the Director of Finance.

(c) The only exceptions to this abolishment are those positions exempt from civil service or those instructional and instruction-related



positions authorized for the California State University. No money appropriated by the subsequent Budget Act shall be used to pay the salary of any otherwise authorized state position that is abolished pursuant to this section.

(d) The Controller, no later than the following August 1 of each succeeding fiscal year, shall notify the Department of Finance in writing of any authorized state position that was vacant continuously during that period.

(e) The Controller, no later than the following December 1 of each succeeding fiscal year, shall furnish the Joint Legislative Budget Committee a report on all positions as of July 1 that were unfilled continuously for six consecutive monthly pay periods during the period between July 1 and June 30 of the preceding fiscal year.

(f) This section shall remain in effect only until July 1, 2002, and as of that date is repealed.

SEC. 13. Section 12439 is added to the Government Code, to read:

12439. (a) Beginning July 1, 2002, any state position that is vacant for six consecutive monthly pay periods shall be abolished by the Controller on the following July 1. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years.

(b) The Director of Finance may authorize the reestablishment of any positions abolished pursuant to this section if one or more of the following conditions existed during part or all of the six consecutive monthly pay periods:

(1) There was a hiring freeze in effect during part or all of the six consecutive pay periods.

(2) The department has diligently attempted to fill the position, but was unable to complete all the steps necessary to fill the position within six months.

(3) The position has been designated as a management position for purposes of collective bargaining and has been held vacant pending the appointment of the director, or other chief executive officer, of the department as part of the transition from one Governor to the succeeding Governor.

(4) The classification of the position is determined to be hard-to-fill.

(5) Late enactment of the budget causes the department to delay filling the position.

(c) The Controller shall reestablish any position for which the director of the department in which that position existed prior to abolishment certifies by August 15 that one or more of the following conditions existed during part or all of the six consecutive pay periods.

(1) The position is necessary for directly providing 24-hour care in an institution operated by the state.

(2) The position is necessary for the state to satisfy any licensing requirements adopted by a local, state, or federal licensing or other regulatory agency.

(3) The position is directly involved in services for public health, public safety, or homeland security.

(4) The position is being held vacant because the previous incumbent is eligible to exercise a mandatory right of return from a leave of absence as may be required by any provision of law including, but not limited to, leaves for industrial disability, nonindustrial disability, military service, pregnancy, childbirth, or care of a newborn infant.

(5) The position is being held vacant because the department has granted the previous incumbent a permissive leave of absence as may be authorized by any provision of law including, but not limited to, leaves for adoption of a child, education, civilian military work, or to assume a temporary assignment in another agency.

(6) Elimination of the position will directly reduce state revenues or other income by more than would be saved by elimination of the position.

(d) Each department shall maintain for future independent audit all records on which the department relied in determining that any position or positions satisfied one or more of the criteria specified in paragraphs (1) to (6), inclusive, of subdivision (c).

(e) The only other exceptions to the abolishment required by subdivision (a) are those positions exempt from civil service or those instructional and instruction-related positions authorized for the California State University. No money appropriated by the subsequent Budget Act shall be used to pay the salary of any otherwise authorized state position that is abolished pursuant to this section.

(f) The Controller, no later than September 10 of each fiscal year, shall furnish the Department of Finance in writing a preliminary report of any authorized state positions that were abolished effective on the preceding July 1 pursuant to this section.

(g) The Controller, no later than October 15 of each fiscal year, shall furnish the Joint Legislative Budget Committee and the Department of Finance a final report on all positions that were abolished effective on the preceding July 1.

(h) Departments shall not execute any personnel transactions for the purpose of circumventing the provisions of this section.

(i) Each department shall include a section discussing its compliance with this section when it prepares its report pursuant to Section 13405.



(j) As used in this section, department refers to any department, agency, board, commission, or other organizational unit of state government that is empowered to appoint persons to civil service positions.

(k) This section shall become operative July 1, 2002.

SEC. 14. Section 13103.5 of the Government Code is amended to read:

13103.5. (a) The department may perform audits, as it deems necessary, of the allocations or expenditures made in accordance with Article XIX B of the California Constitution.

(b) Any audit performed pursuant to this section shall be reported to both houses of the Legislature.

SEC. 15. Section 13915 of the Government Code is amended to read:

13915. The board shall hold regular meetings in Sacramento and may hold other meetings at the times and places within the state as a majority of the board directs. At any meeting the board may transact any business and perform all duties imposed upon it.

SEC. 16. Section 14612 of the Government Code is amended to read:

14612. (a) The department shall commit itself to achieve improved levels of performance, as specified in this section, by focusing its efforts on enhancing the value of the services it delivers.

(b) The department shall commit itself to providing (1) services that the Legislature or Governor requires state agencies to purchase from the department, and (2) services that state agencies are not required to purchase from the department, but that the department can provide on a cost-competitive basis.

(c) Notwithstanding any other provision of law, the director of the department or his or her designee, in lieu of the Director of Finance, may approve DGS Form 22 and DGS Form 220, including the extension of time to expend transferred funds, the transfer of funds from one work order to another, and the Return of Funds Document.

(d) Notwithstanding Chapter 3 (commencing with Section 13940) of Part 4, the director of the department or his or her designee may approve “relief from accountability” for debts owed to the department up to five thousand dollars (\$5,000) when the department determines it cannot collect the debts or when the cost of collection exceeds the amount of the debt.

(e) Notwithstanding Section 2807 of the Penal Code, the director of the department or his or her designee may procure goods from the private sector even though the goods may be available from the Prison Industry Authority, when in his or her discretion, it is cost beneficial to do so and



if the director or his or her designee continues to include the authority in soliciting quotations for goods.

(f) Notwithstanding subdivision (a) of Section 948 and Section 965, the director of the department or his or her designee, in lieu of the Director of Finance, may certify funds for payment of all legal settlements and tort claims for which the department already has sufficient expenditure authority and funds without the need for augmentation.

(g) Notwithstanding Chapter 7 (commencing with Section 14850) or Section 14901, no agency is required to use the Office of State Publishing for its printing needs and the Office of State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(h) Notwithstanding Section 14851, the Office of State Publishing may accept paid advertisements in state publications or in publications promoting an Office of State Publishing supported project or program, except that the Office of State Publishing may not accept or publish any paid political advertising.

(i) Notwithstanding Section 965.2, the director of the department or his or her designee, in lieu of the Director of Finance, may certify funds for payment for all legal court settlements for projects funded from the Architecture Revolving Fund, if a sufficient fund balance exists in the work order to pay the claim and the payment does not require a budget augmentation to complete the project.

(j) Notwithstanding Section 14957, the director of the department or his or her designee, in lieu of the Director of Finance, may approve the deposit of checks directly into the Architecture Revolving Fund. The department shall notify the Department of Finance within 30 days of the date that the department makes such a deposit.

(k) This section shall remain operative only until the effective date of the Budget Act of 2003 or June 30, 2003, whichever occurs later, and, as of January 1, 2004, is repealed, unless a later enacted statute that is enacted before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 17. Section 14612.5 is added to the Government Code, to read:

14612.5. Notwithstanding any other provision of law, for state printing procurement purposes, printing is not considered a personal service contract as defined in Section 19130.



SEC. 18. The state's current fiscal condition has necessitated the reallocation of a local assistance appropriation, contained in the Budget Act of 2000, for the Office of Criminal Justice Planning, that was designated for a regional crime laboratory to serve criminal justice agencies in Southern California. Notwithstanding this action, and in furtherance of the mission of the Office of Criminal Justice Planning, the Legislature finds that there is a need for a regional crime laboratory in Los Angeles County and that the state is benefited when multiple state and local criminal justice and educational agencies are allowed to jointly use, maintain, staff, and operate a regional crime laboratory facility. Accordingly, the acquisition, development, design, and construction of a regional crime laboratory in the City and County of Los Angeles is hereby authorized, to be jointly used, maintained, staffed, and operated by various interested state agencies and educational institutions, together with the Los Angeles Regional Crime Laboratory Facility Authority, a joint powers agency consisting of the County of Los Angeles on behalf of its sheriff and the City of Los Angeles on behalf of its police department.

SEC. 18.5. Section 14669.21 is added to the Government Code, to read:

14669.21. (a) The Director of the Department of General Services is authorized to acquire, develop, design, and construct, according to plans and specifications approved by the Los Angeles Regional Crime Laboratory Facility Authority, an approximately 200,000 gross square foot regional criminal justice laboratory, necessary infrastructure, and related surface parking to accommodate approximately 600 cars on the Los Angeles campus of the California State University. In accordance with this authorization, the director is authorized to enter into any agreements, contracts, leases, or other documents necessary to effectuate and further the transaction. Further, the Los Angeles Regional Crime Laboratory Facility Authority is authorized to assign, and the director is authorized to accept, all contracts already entered into by the Los Angeles Regional Crime Laboratory Facility Authority for the development and design of this project. It is acknowledged that these contracts will have to be modified to make them consistent with the standards for state projects. The director is additionally authorized to enter into a long-term ground lease for 75 years with the Trustees of the California State University for the land within the Los Angeles campus on which the project is to be constructed. At the end of the ground lease term, unencumbered title to the land shall return to the trustees and, at the option of the trustees, ownership of any improvements constructed pursuant to this section shall vest in the trustees. The trustees are authorized and directed to fully cooperate and enter into a ground lease



with the Department of General Services upon the terms and conditions that will facilitate the financing of this project by the State Public Works Board. The trustees shall obtain concurrence from the Los Angeles Regional Crime Laboratory Facility Authority in the development of the long-term ground lease referenced in this section. In his or her capacity, the director is directed to obtain concurrence and approval from the trustees relating to the design and construction of the facility consistent with the trustees' reasonable requirements.

(b) The State Public Works Board is authorized to issue lease revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) for the acquisition, development, design, and construction of the regional crime laboratory as described in this section. The project shall be acquired, developed, designed, and constructed on behalf of the State Public Works Board and the Office of Criminal Justice Planning by the Department of General Services in accordance with state laws applicable to state projects provided, however, that the contractor prequalification specified in Section 20101 of the Public Contract Code may be utilized. For purposes of compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) the Office of Criminal Justice Planning is the lead agency, and the trustees, acting through California State University at Los Angeles, and the Los Angeles Regional Crime Laboratory Facility Authority are responsible agencies.

(c) The State Public Works Board and the Office of Criminal Justice Planning may borrow funds for project costs from the Pooled Money Investment Account, pursuant to Sections 16312 and 16313, or from any other appropriate source. In the event the bonds authorized by this section for the project are not sold, the Office of Criminal Justice Planning shall commit a sufficient amount of its support appropriation to repay any loans made for the project.

(d) The amount of lease revenue bonds, negotiable notes, or negotiable bond anticipation notes to be issued by the State Public Works Board shall not exceed ninety-two million dollars (\$92,000,000) and any additional sums necessary to pay interim and permanent financing costs. The additional sums may also include interest and a reasonably required reserve fund. This amount includes additional estimated project costs associated with reformatting the initial local assistance appropriation into a state managed and constructed regional crime laboratory project.

(e) The Office of Criminal Justice Planning may execute a contract with the State Public Works Board for the lease of the regional crime laboratory facilities described in this section that are financed with the



proceeds of the board's bonds. Further, and notwithstanding any other provision of law, the Office of Criminal Justice Planning is authorized to enter into contracts and subleases with the trustees, the Los Angeles Regional Crime Laboratory Facility Authority, the Department of Justice, and any other appropriate state or local agency, with the consent of the State Public Works Board and the Department of General Services, for the use, maintenance, and operation of the financed regional crime laboratory facilities described in this section.

(f) When all of the bonds or notes authorized pursuant to subdivision (d) have been paid in full or provided for in accordance with their terms, notwithstanding any other provision of law, the Department of General Services shall assign the ground lease entered into pursuant to subdivision (a) to the Los Angeles Regional Crime Laboratory Facility Authority or its successor agency. At that time, the ground lease may be amended as agreed to by the trustees and the Los Angeles Regional Crime Laboratory Facility Authority or its successor agency.

SEC. 19. Section 15320 is added to the Government Code, to read:

15320. (a) The Technology, Trade, and Commerce Agency shall develop an agencywide strategic plan covering a minimum of five years, in order to better integrate program efforts and to highlight current state priorities.

(b) The agency shall include all of the following in its strategic planning process required pursuant to subdivision (a):

(1) Goals and targets for all significant aspects of its vision and mission.

(2) Outcome goals that focus efforts on results, where most appropriate.

(3) Outcome goals and related targets in agreements with third parties who deliver program services.

(c) The agency shall ensure that short-term plans for programs within the agency are aligned with the agencywide strategic plan.

(d) Commencing February 15, 2003, and no later than February 15 of each year thereafter, the agency shall report to the chairpersons of the budget committees of the Legislature, as well as to the Chairperson of the Joint Legislative Budget Committee, on its progress in implementing a strategic approach to its planning. The general reports shall include specific recommendations.

SEC. 20. Section 15323.5 of the Government Code is amended to read:

15323.5. In order to carry out its functions and duties, the agency may establish and maintain regional offices in the San Francisco Bay area, Los Angeles County, Sacramento, the greater San Diego area, and elsewhere within the state as appropriate. The San Diego regional office



shall pay particular attention to economic development issues involving the border, including maquiladoras, labor, tourism, and other factors, making recommendations, as appropriate, to the Governor and the Legislature on methods, programs, and policies to improve the growth of jobs, income, and standards of living along the border.

SEC. 21. Section 15364.725 is added to the Government Code, to read:

15364.725. (a) The proponent of any new international trade and investment office shall submit a proposed business plan for the office to the Technology, Trade, and Commerce Agency. The business plan shall contain all of the following:

(1) The delineated geographical area to be served by the office, to be defined as the “region” to be served by the office.

(2) Actual and potential investment and tourism directed to the state from the region.

(3) Actual and potential export markets in the region for goods produced in the state, and type of goods categorized according to sector.

(4) Leading industries in the region.

(5) Existing federal trade offices, and municipal trade offices from California operating in the region that provide investment, tourism, and export promotion activities for the state.

(6) Other states that have trade offices, or that have investment, tourism, or export promotion offices in the region.

(7) A cost-benefit analysis, including the assumptions on which the analysis is based.

(8) Target export industry markets.

(9) State objectives, goals, and estimated outcome performance.

(b) (1) To the extent that funds are available for that purpose, the agency shall evaluate all business plans that have been submitted to the agency pursuant to subdivision (a) during the 12-month period ending July 1 of any given year, and no later than January 15, of the following year, shall submit those evaluations to the Legislature. The evaluation reports shall include a breakdown of the agency’s costs for completion of the evaluation.

(2) To the extent that the agency is not funded to perform the evaluation of the business plans, proponents may pay the cost of the evaluation, pursuant to Section 15364.79.

(c) Each international trade and investment office shall annually provide all of the following baseline information to the agency:

(1) The delineated geographical area to be served by the office, to be defined as the “region” served by the office.

(2) Actual and potential investment and tourism directed to the state from the region.



(3) Actual and potential export markets in the region for goods produced in the state, and type of goods categorized according to sector.

(4) Leading industries in the region.

(5) Existing federal trade offices, and municipal trade offices from California operating in the region that provide investment, tourism, and export promotion activities for the state.

(6) Other states that have trade offices, or that have investment, tourism, or export promotion offices in the region.

(7) Target export industry markets.

(8) State objectives, goals, and estimated outcome performance.

(d) (1) Each international trade and investment office shall prepare, and the agency shall submit, annual reports to the Legislature on all of the following information:

(A) The number of clients served.

(B) The nature of contacts made on behalf of each client.

(C) The amount of time spent on each client.

(D) The nature of the assistance provided to each client and the ultimate outcome for the client.

(E) The amount of revenue generated for each client through exports resulting from agency support.

(F) The amount of investments generated for the state on behalf of each client through agency support.

(G) The amount of California jobs created by each client through agency support.

(H) The amount of overseas jobs created by each client through agency support to the extent that data is provided to the agency.

(I) The amount of trade leads created through each client.

(J) A profile of each client served, including, but not limited to, all of the following:

(i) Whether the client was from a small, medium, or large sized firm.

(ii) Whether the client was a first time exporter or investor.

(iii) The type of industry of the client.

(K) Any changes in baseline information.

(2) It is the intent of the Legislature that the agency may include the annual reports required to be submitted pursuant to paragraph (1) with other reports it normally submits to the Legislature.

SEC. 22. Section 15605.5 is added to the Government Code, to read:

15605.5. Notwithstanding any other law, but consistent with Section 4 of Article VII of the California Constitution and Section 12010.5, each member of the State Board of Equalization elected by district may request that the Governor convert one civil service position of the board to be exempt from civil service and serve as an administrative assistant at or below the nonsupervisory exempt salary



level P2A, who shall be appointed by and shall serve at the pleasure of the Governor.

SEC. 23. Section 16320 is added to the Government Code, to read:

16320. (a) Unless otherwise prohibited by law, moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2002-03 fiscal year budgetary shortfall, subject to all of the following conditions:

(1) The loan is authorized in the 2002 Budget Act.

(2) The terms and conditions of the loan, including an interest rate, are set forth in the loan authorization.

(3) The loan is considered part of the balance of the fund or account that received the funds for the purpose of accounting and budgeting, including any determination made pursuant to Section 13307.

(4) The loan is not deducted from the balance of the fund or account from which the loan is made for purposes of calculating a fee or assessment.

(5) A fee or assessment may not be increased as a result of a loan.

(6) Moneys loaned under this section shall not be considered a transfer of resources for purposes of determining the legality of the use of those moneys by the fund or account from which the loan is made or the fund or account that received the loan.

(b) (1) The Director of Finance shall order the repayment of all or a portion of any loan made pursuant to subdivision (a) if he or she determines that either of the following circumstances exists:

(A) The fund or account from which the loan was made has a need for the moneys.

(B) There is no longer a need for the moneys in the fund or account that received the loan.

(2) The Director of Finance shall notify, in writing, the Chairperson of the Joint Legislative Budget Committee within 30 days of ordering the repayment of any of these loans.

(c) On August 1 of each year, the Director of Finance shall report in writing to the Chairperson of the Joint Legislative Budget Committee the balances of these loans as of the preceding June 30. On February 1 of each year, the Director of Finance shall provide an updated report to the Chairperson of the Joint Legislative Budget Committee on the balances of these outstanding loans, as reflected in the preceding Governor's Budget.

SEC. 24. Section 16429.1 of the Government Code is amended to read:

16429.1. (a) There is in the State Treasury the Local Agency Investment Fund, which fund is hereby created. Notwithstanding Section 13340, all money in the fund is hereby appropriated without

regard to fiscal years to carry out the purpose of this section. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agent engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as



provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment Fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of one-half of 1 percent of the earnings of this fund, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies, including the Treasurer, the Controller, and the Department of Finance, having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

(n) As used in this section, "local agency," "local governmental unit," and "local governmental official" includes a campus or other unit and an official, respectively, of the California State University who deposits moneys in funds described in Sections 89721, 89722, and 89725 of the Education Code.

SEC. 25. Section 16475 of the Government Code is amended to read:

16475. As of December 31 and June 30 all interest earned and other increment derived from investments made pursuant to this article shall, on order of the Controller, be deposited in the Surplus Money Investment Fund. The Controller, after deducting an amount equal to the reasonable costs incurred by the Treasurer, the Controller, and the Department of Finance in carrying out this article, shall apportion, as of December 31st and June 30th of each year, to the following funds in the Treasury, interest earned or increment derived from the investments authorized by this article for the six calendar months ending with those dates:



(a) The General Fund.

(b) Each fund into which are deposited or which contains moneys collected from any tax now or hereafter imposed by this state upon the manufacture, sale, distribution, or use of motor vehicle fuel, for use in motor vehicles upon the public streets and highways.

(c) Each fund into which are deposited or which contains moneys collected from motor vehicle and other vehicle registration license fees or from any other tax or license fee now or hereafter imposed by the state upon vehicles, motor vehicles or the operation thereof, except those taxes and license fees that, by the provisions of Section 7 of Article XIX of the California Constitution, are exempted from the provisions of Section 2 of Article XIX.

(d) Each fund into which are deposited or that contains moneys collected under any law of this state relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans, and fines imposed by any court for the violation of any of those laws.

(e) Each fund into which are deposited or that contains moneys available for construction, repair, replacement, maintenance or operation of public works of the state, including, but not limited to, the facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, toll facilities financed, built, or acquired pursuant to the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000) of Division 17 of the Streets and Highways Code), or moneys available for the payment of principal or interest on bonds issued to provide for the construction of those facilities.

(f) Every other fund in respect to which the Director of Finance on the advice of the Attorney General determines that the operation of the California Constitution or the United States Constitution prohibits the expenditure of interest received under this article and allocated on the basis of amounts in that fund for General Fund purposes.

(g) Each fund not included within subdivisions (a) to (f), inclusive.

The apportionments shall be made by the Controller in the following manner:

(1) All money not apportioned to the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g) shall be apportioned to the General Fund.

(2) There shall be apportioned to each of the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g), an amount directly proportionate to the respective amounts transferred from those funds to the Surplus Money Investment Fund and the length of time the amounts remained therein.



(3) Interest accrued or paid to the Pooled Money Investment Account from the proceeds of tax-exempt obligations on loans made pursuant to Section 16312 or 16313, to the extent thereof, shall be deemed apportioned to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654, but only to the extent of its proportionate earnings as determined under paragraph (2). This paragraph shall neither increase nor decrease the amount of earnings apportioned to any fund or account in accordance with this section. These moneys shall be deemed expended (or applied to reimburse expenditures previously paid) first following the allocation of these interest earnings of the Surplus Money Investment Fund to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654. It is the intent of the Legislature that this paragraph shall authorize the Treasurer and the Controller to monitor the expenditure of the proceeds of tax-exempt obligations in order to comply with federal tax laws and shall neither increase nor decrease the amount of bonds, notes, or other obligations to be issued by the state or any subdivision thereof, nor shall this paragraph be interpreted to indicate that the allocation is contrary to any bond act.

SEC. 26. Section 16475.5 of the Government Code is amended to read:

16475.5. Notwithstanding the provisions of Section 16475, as of December 31 and June 30 each year all interest earned and other increment derived from the investment pursuant to this article of money of the Fish and Game Preservation Fund, less the expenses incurred by the Treasurer, the Controller, and the Department of Finance under this article in connection with the investment of this money, shall be transferred to the Fish and Game Preservation Fund.

SEC. 27. Section 16724.6 of the Government Code is amended to read:

16724.6. There is hereby transferred from any bond fund created for the proceeds of sales of state general obligation bonds, the amounts necessary to reimburse the Treasurer, the Controller, and the Department of Finance for actual expenses incurred in: (1) administering or reviewing loans from the Pooled Money Investment Account to the bond fund including review by the Public Works Board staff, (2) assuring bond program compliance with federal laws and regulations related to tax-exempt government obligations by tracking arbitrage and expenditures, calculating and remitting federal rebates and penalties, investing bond sale proceeds, establishing and maintaining special accounting systems, and providing other services the Treasurer determines are necessary to maintain the tax-exempt status of the bonds.



SEC. 28. Section 16727 of the Government Code is amended to read:

16727. Proceeds from the sale of any bonds issued pursuant to this chapter shall be used only for the following purposes:

(a) The costs of construction or acquisition of capital assets. “Capital assets” mean tangible physical property with an expected useful life of 15 years or more. “Capital assets” also means tangible physical property with an expected useful life of 10 to 15 years, but these costs may not exceed 10 percent of the bond proceeds net of all issuance costs. “Capital assets” include major maintenance, reconstruction, demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years or expenditures that continue or enhance the useful life of the capital asset. “Capital assets” also include equipment with an expected useful life of two years or more. Costs allowable under this section include costs incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, required mitigation expenses, appraisals, legal expenses, site acquisitions, and necessary easements.

(b) To make grants or loans, if the proceeds of the grants or loans are used for the costs of construction or acquisition of capital assets. Bond proceeds may also be used to pay the costs of a state agency for administering the grant or loan program.

(c) To repay funds borrowed in anticipation of the sale of the bonds, including interest, or to pay interest on the bonds themselves.

(d) To pay the costs of a state agency with responsibility for administering the bond program. These costs include those incurred by the Treasurer, the Controller, the Department of Finance, and the Public Works Board for staff, operating expenses and equipment, and consultants’ costs.

(e) The costs of the Treasurer’s office directly associated with the sale and payment of the bonds, including, but not limited to, underwriting discounts, costs of printing, bond counsel, registration, and fees of trustees.

Nothing in this section is intended to prohibit the investment of bond proceeds or the use of proceeds of those investments in any manner authorized by law.

SEC. 29. Section 16731.6 of the Government Code is amended to read:

16731.6. (a) Notwithstanding any other provision of this chapter, and as an alternative to the procedures set forth in Section 16731, the committee may provide for the issuance of all or part of the bonds

authorized to be issued as commercial paper notes. The committee shall adopt a resolution finding that issuance of the bonds in the form of commercial paper notes is necessary and desirable, directing the Treasurer to arrange for preparation of the requisite number of suitable notes, and specifying other provisions relating to the commercial paper notes including the following:

(1) For each program of commercial paper notes authorized, the final date of maturity and the total aggregate principal amount of the commercial paper notes authorized to be outstanding at any one time up to the maturity date. The resolution may provide that the commercial paper notes may be issued and renewed from time to time until the final maturity date, and that the amount issued from time to time may be set by the Treasurer up to the maximum amount authorized to be outstanding at any one time. The resolution shall include methods of setting the dates, numbers, and denominations of the commercial paper notes. Determination of the final maturity date and total amount by the committee shall be made upon recommendation of the Treasurer to meet the needs of the state for funds, to provide the maximum benefit to potential purchasers, and to respond to the expected demand for the commercial paper notes. Notwithstanding any other provision of this chapter, whenever the committee determines to issue commercial paper notes, the committee need not comply with the requirements of Section 16732.

(2) The method of setting the interest rates and interest payment dates applicable to the commercial paper notes. Commercial paper notes may bear a state rate of interest payable only at maturity, which rate or rates may be determined at the time of sale of each unit of commercial paper notes. The rate of interest borne by the commercial paper notes shall not exceed 11 percent per annum. Notwithstanding any other provision of this chapter, whenever the committee determines to issue commercial paper notes, the committee need not comply with the requirements of Section 16733.

(3) Any provisions for the redemption of the commercial paper notes prior to stated maturity.

(4) The technical form and language of the commercial paper notes.

(5) All other terms and conditions of the commercial paper notes and of their execution, issuance, and sale, deemed necessary and appropriate by the committee.

(b) Notwithstanding any other provision of this chapter, when the committee determines to issue commercial paper notes, all of the following shall apply:



(1) The commercial paper notes may be sold at negotiated sale at a price below the par value in a manner consistent with paragraph (2) of subdivision (a).

(2) For purposes of determining the principal amount of bonds of any voted authorization outstanding, in the case of any commercial paper notes, the principal amount deemed outstanding at any time during the term of a program of commercial paper notes shall be the maximum amount authorized in the resolution.

(3) During the term of any program of commercial paper notes, the renewal and reissuance from time to time of the commercial paper notes in an amount up to the maximum amount authorized by the resolution shall be deemed to be a refunding of the previously maturing amount, permitted by and consistent with Article 6 (commencing with Section 16780).

(4) Consistent with the intent for the General Fund to realize a savings in debt service costs when commercial paper notes are issued in place of bonds without shifting or adding financing and debt service costs to the bond funds, the state administrative costs of commercial paper and interest payable and other costs associated with commercial paper notes shall be paid for as follows:

(A) The proceeds of commercial paper notes are, notwithstanding Section 13340, continuously appropriated to pay the state administrative costs of commercial paper including, but not limited to, costs of the Treasurer's office, the Controller's office, and the Department of Finance.

(B) The interest payable on maturing commercial paper notes and other costs associated with commercial paper notes not specified in paragraph (A), including, but not limited to, remarketing fees, issuing and paying agent fees, the letter or line of credit provider fees, the rating agency fees, and bond counsel fees, shall be paid from the General Fund which, notwithstanding Section 13340, is continuously appropriated to pay the interests and costs.

SEC. 30. Section 17311 of the Government Code is amended to read:

17311. There is hereby appropriated from the General Fund without regard to fiscal years, two hundred fifty thousand dollars (\$250,000) which shall be set aside in a special account entitled State Notes Expense Account, and shall be used to pay expenses incurred by the Treasurer, Controller, or the Department of Finance in providing for the preparation, sale, issuance, advertising, legal services, or any other act which, in the discretion of the Treasurer or the Department of Finance, is necessary to carry out the purposes of this part. This account shall operate as a revolving fund and whenever notes are sold, out of the first

money realized from their sale, any remaining expenses shall be paid and then there shall be redeposited in the account any amounts that have been expended for the above purposes, which amounts may be used for the same purposes and repaid in the same manner whenever additional sales are made.

SEC. 30.2. Section 17551 of the Government Code is amended to read:

17551. (a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

(b) Commission review of claims may be had pursuant to subdivision (a) only if the test claim is filed within the time limits specified in this section.

(c) Local agency and school district test claims shall be filed not later than three years following the date the mandate became effective, or in the case of mandates that became effective before January 1, 2002, the time limit shall be one year from the effective date of this subdivision.

(d) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

SEC. 30.4. Section 17558.5 of the Government Code is amended to read:

17558.5. (a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to audit by the Controller no later than two years after the end of the calendar year in which the reimbursement claim is filed or last amended. However, if no funds are appropriated for the program for the fiscal year for which the claim is made, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim.

(b) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district, and the reason for the adjustment. Remittance advices and other notices of payment action shall not constitute notice of adjustment from an audit or review.

(c) The interest rate charged by the Controller on reduced claims shall be set at the Pooled Money Investment Account rate and shall be



imposed on the dollar amount of the overpaid claim from the time the claim was paid until overpayment is satisfied.

(d) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement.

SEC. 30.6. Section 17561 of the Government Code is amended to read:

17561. (a) The state shall reimburse each local agency and school district for all “costs mandated by the state,” as defined in Section 17514.

(b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows:

(A) Any statute mandating these costs shall provide an appropriation therefor.

(B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts.

(2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor’s Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor’s Budget and in the accompanying Budget Bill subsequent to the enactment of the local government claims bill pursuant to Section 17600 that includes the amounts awarded relating to these chaptered bills or executive orders.

(c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement.

(d) The Controller shall pay any eligible claim pursuant to this section within 60 days after the filing deadline for claims for reimbursement or 15 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts



in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows:

(1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission.

(A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17555 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions.

(B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller.

(C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable.

(2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years.

(3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing



deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case shall a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill.

SEC. 30.8. Section 17562 of the Government Code is amended to read:

17562. (a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs.

(b) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by January 1 of each year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format. The report shall compare the annual cost of each mandate to the statewide cost estimate adopted by the commission.

(c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.

(d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall identify mandates that significantly exceed the statewide cost estimate adopted by the commission. The Legislative Analyst shall make recommendations on whether the mandate should be repealed, funded, suspended, or modified.

(e) (1) A statewide association of local agencies or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Local Government and the Senate Committee on Local Government specifying the mandate and the



concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year.

(2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst.

(3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 2229 or Section 2230 of the Revenue and Taxation Code or Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year.

(f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following:

(1) The reports and recommendations submitted pursuant to subdivision (e).

(2) The reports submitted pursuant to Sections 17570, 17600, and 17601.

(3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

SEC. 30.9. Section 17564 of the Government Code is amended to read:

17564. (a) No claim shall be made pursuant to Sections 17551 and 17561, nor shall any payment be made on claims submitted pursuant to Sections 17551 and 17561, unless these claims exceed one thousand dollars (\$1,000), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct

service districts, or special districts within their county if the combined claim exceeds one thousand dollars (\$1,000) even if the individual school district's, direct service district's, or special district's claims do not each exceed one thousand dollars (\$1,000). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

(b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines.

SEC. 31. Section 68087 is added to the Government Code, to read:

68087. (a) A state surcharge of 10 percent shall be levied on any fee specified in paragraph (1) of subdivision (c) of Section 68085. This surcharge shall be in addition to any other court-related fee.

(b) The clerk of the court shall cause the amount collected to be transmitted to the Trial Court Trust Fund.

(c) It is the intent of the Legislature that nothing in this section shall change the existing distribution or amounts of the fees specified in paragraph (1) of subdivision (c) of Section 68085 provided to local jurisdictions and the state.

(d) This section shall become inoperative on July 1, 2007, and as of January 1, 2008, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2008, deletes or extends that date.

SEC. 32. Section 18909 of the Health and Safety Code is amended to read:

18909. (a) "Building standard" means any rule, regulation, order, or other requirement, including any amendment or repeal of that requirement, that specifically regulates, requires, or forbids the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building, structure, factory-built housing, or other improvement to real property, including fixtures therein, and as determined by the commission.

(b) Except as provided in subdivision (d), "building standard" includes architectural and design functions of a building or structure,

including, but not limited to, number and location of doors, windows, and other openings, stress or loading characteristics of materials, and methods of fabrication, clearances, and other functions.

(c) “Building standard” includes a regulation or rule relating to the implementation or enforcement of a building standard not otherwise governed by statute, but does not include the adoption of procedural ordinances by a city or other public agency relating to civil, administrative, or criminal procedures and remedies available for enforcing code violations.

(d) “Building standard” does not include any safety regulations that any state agency is authorized to adopt relating to the operation of machinery and equipment used in manufacturing, processing, or fabricating, including, but not limited to, warehousing and food processing operations, but not including safety regulations relating to permanent appendages, accessories, apparatus, appliances, and equipment attached to the building as a part thereof, as determined by the commission.

(e) “Building standard” does not include temporary scaffoldings and similar temporary safety devices and procedures, that are used in the erection, demolition, moving, or alteration of buildings.

(f) “Building standard” does not include any regulation relating to the internal management of a state agency.

(g) “Building standard” does not include any regulation, rule, order, or standard that pertains to mobilehomes, manufactured homes, commercial coaches, special purpose commercial coaches, or recreational vehicles.

(h) “Building standard” does not include any regulation, rule, or order or standard that pertains to a mobilehome park, recreational vehicle park, temporary recreational vehicle park, or travel trailer park, except that “building standard” includes the construction of permanent buildings and plumbing, electrical, and fuel gas equipment and installations within permanent buildings in mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, or travel trailer parks. For purposes of this subdivision, “permanent building” means any permanent structure constructed in the mobilehome park, recreational vehicle park, temporary recreational vehicle park, or travel trailer park that is a permanent facility under the control and ownership of the park operator.

(i) “Building standard” does not include any regulation, rule, order, or standard that pertains to mausoleums regulated under Part 5 (commencing with Section 9501) of Division 8.

(j) “Building standard” does not include any regulation adopted by the California Integrated Waste Management Board, the Department of



Toxic Substances Control, the Occupational Safety and Health Standards Board, or the State Water Resources Control Board concerning the discharge of waste to land or the treatment, transfer, storage, resource recovery, disposal, or recycling of the waste.

SEC. 33. Section 18913 of the Health and Safety Code is amended to read:

18913. “Emergency standard” means a building standard or an order of repeal of a building standard filed for publication in the code by the commission pursuant to Section 11346.1 of the Government Code.

SEC. 34. Section 18937 of the Health and Safety Code is amended to read:

18937. (a) Emergency standards shall be acted on by the commission within 30 days and only when the adopting agency or state agency that proposes the building standards has made the finding of emergency required by Sections 11346.1 and 11346.5 of the Government Code and the adopting agencies have adopted the emergency standard in compliance with Section 11346.1 of the Government Code, and the commission concurs with that finding. Both the concurrence and the approval of the emergency building standards require an affirmative vote of two-thirds of the members of the commission attending a meeting, or not less than six affirmative votes, whichever is greater.

(b) Emergency standards approved by the commission pursuant to subdivision (a) shall be filed by the commission pursuant to Section 11346.1 of the Government Code and shall be subject to that section.

SEC. 35. Section 18938 of the Health and Safety Code is amended to read:

18938. (a) Building standards shall be filed with the Secretary of State and codified only after they have been approved by the commission and shall not be published in any other title of the California Code of Regulations. Emergency building standards shall be filed with the Secretary of State and shall take effect only after they have been approved by the commission as required by Section 18937. The filing of building standards adopted or approved pursuant to this part, or any certification with respect thereto, with the Secretary of State, or elsewhere as required by law, shall be done solely by the commission.

(b) The building standards contained in the Uniform Fire Code of the International Conference of Building Officials and the Western Fire Chiefs Association, Inc., the Uniform Building Code of the International Conference of Building Officials, Appendix Chapter 1 of the Uniform Code for Building Conservation of the International Conference of Building Officials, the Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials, the National



Electrical Code of the National Fire Protection Association, and the Uniform Mechanical Code of the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials, as referenced in the California Building Standards Code, shall apply to all occupancies throughout the state and shall become effective 180 days after publication in the California Building Standards Code by the California Building Standards Commission or at a later date after publication established by the commission.

(c) Except as otherwise provided in this subdivision, an adoption, amendment, or repeal of a building standard shall become effective 180 days after its publication in the triennial edition of the California Building Standards Code or one of its supplements, or at any later date as approved by the California Building Standards Commission, with the exceptions of standards adopted pursuant to Section 25402 of the Public Resources Code and those regulations that implement or enforce building standards. Regulations that implement or enforce building standards shall become effective 30 days after filing by the commission with the Secretary of State. This subdivision shall not apply to emergency building standards. An amendment or a repeal of a building standard in the California Building Standards Code that, as determined by the commission, would result in a less restrictive regulation, shall become effective 30 days after filing of the amendment or repeal by the commission with the Secretary of State.

(d) Emergency standards defined in subdivision (a) of Section 18913 shall become effective when approved by the commission, and filed with the Secretary of State, or upon any later date specified therein, and remain in effect as provided by Section 11346.1 of the Government Code and Section 18937 of this code. Emergency standards shall be distributed as soon as practicable after publication to all interested and affected parties. Notice of repeal, pursuant to Section 11346.1 of the Government Code, of emergency standards defined in subdivision (a) of Section 18913 within the period specified by that section, shall also be given to the parties by the affected agencies promptly after the termination of the statutory period pursuant to Section 11346.1 of the Government Code.

(e) This section shall not be applicable to the time limits set forth in Sections 17922 and 17958 for approval of uniform codes and for changes by local agencies in the California Building Standards Code.

SEC. 36. Section 18942 of the Health and Safety Code is amended to read:

18942. (a) The commission shall publish, or cause to be published, editions of the code in its entirety once in every three years. In each intervening year the commission shall publish, or cause to be published,



supplements as necessary. For emergency building standards defined in subdivision (a) of Section 18913, an emergency building standards supplement shall be published whenever the commission determines it is necessary.

(b) The commission shall publish the text of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104, within the California Code of Regulations, Title 24, Part 2 requirements for single-family residential occupancies, with the following note:

“NOTE: These regulations are subject to local government modification. You should verify the applicable local government requirements at the time of application for a building permit.”

(c) The commission may publish, stockpile, and sell at a reasonable price the code and any materials incorporated therein by reference if it deems the latter is insufficiently available to the public, or unavailable at a reasonable price. Each state department concerned and each city, county, or city and county shall have an up-to-date copy of the code available for public inspection.

(d) (1) Each city, county, and city and county, including charter cities, shall obtain and maintain with all revisions on a current basis, at least one copy of the building standards and other state regulations relating to buildings published in Titles 8, 19, 20, 24, and 25 of the California Code of Regulations. These codes shall be maintained in the office of the building official responsible for the administration and enforcement of this part.

(2) This subdivision shall not apply to any city or county which contracts for the administration and enforcement of the provisions of this part with another local government agency that complies with this section.

SEC. 37. Section 18943 of the Health and Safety Code is amended to read:

18943. Building standards in individual titles of the California Code of Regulations other than the California Building Standards Code shall have no force nor effect after January 1, 1985.

SEC. 38. Section 12907 is added to the Insurance Code, to read:

12907. The following existing positions in the Department of Insurance shall be appointed by the Governor and are exempt from the state civil service system:

(a) Chief executive officer.

(b) Deputy commissioner for the office of the ombudsman.

(c) Career executive assignment IV, in the administration and licensing services division.

SEC. 39. Section 62.5 of the Labor Code is amended to read:



62.5. (a) The Workers' Compensation Administration Revolving Fund is hereby created as a special account in the State Treasury. Money in the fund may be expended by the department, upon appropriation by the Legislature, for the administration of the workers' compensation program set forth in this division and Division 4 (commencing with Section 3200), other than the activities financed pursuant to Section 3702.5, and may not be used for any other purpose, except as determined by the Legislature.

(b) The fund shall consist of assessments made pursuant to this section. Costs of the program shall be shared on a proportional basis between the General Fund and employer assessments. The General Fund appropriation shall account for 80 percent, and employer assessments shall account for 20 percent, of the total costs of the program.

(c) Assessments shall be levied by the director upon all employers as defined in Section 3300. The total amount of the assessment shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall promulgate reasonable rules and regulations governing the manner of collection of the assessment. The rules shall require the assessment to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the assessment to be paid by insured employers to be expressed as a percentage of premium. In no event shall the assessment paid by insured employers be considered a premium for computation of a gross premium tax or agents' commission.

SEC. 40. Section 142 of the Labor Code is amended to read:

142. The Division of Occupational Safety and Health shall enforce all occupational safety and health standards adopted pursuant to this chapter, and those heretofore adopted by the Industrial Accident Commission or the Industrial Safety Board. General safety orders heretofore adopted by the Industrial Accident Commission or the Industrial Safety Board shall continue to remain in effect, but they may be amended or repealed pursuant to this chapter.

SEC. 41. Section 142.3 of the Labor Code is amended to read:

142.3. (a) (1) The board, by an affirmative vote of at least four members, may adopt, amend or repeal occupational safety and health standards and orders. The board shall be the only agency in the state authorized to adopt occupational safety and health standards.

(2) The board shall adopt standards at least as effective as the federal standards for all issues for which federal standards have been promulgated under Section 6 of the Occupational Safety and Health Act of 1970 (P.L. 91-596) within six months of the promulgation date of the



federal standards and which, when applicable to products which are distributed or used in interstate commerce, are required by compelling local conditions and do not unduly burden interstate commerce.

(3) No standard or amendment to any standard adopted by the board that is substantially the same as a federal standard shall be subject to Article 5 (commencing with Section 11346) and Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of this subdivision, “substantially the same” means identical to the federal standard with the exception of editorial and format differences needed to conform to other state laws and standards.

(4) If a federal standard is promulgated and no state standard that is at least as effective as the federal standard is adopted by the board within six months of the date of promulgation of the federal standard, the following provisions shall apply unless adoption of the state standard is imminent:

(A) If there is no existing state standard covering the same issues, the federal standard shall be deemed to be a standard adopted by the board and enforceable by the division pursuant to Section 6317. This standard shall not be subject to Article 5 (commencing with Section 11346) and Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(B) If a state standard is in effect at the time a federal standard is promulgated covering the same issue or issues, the board may adopt the federal standard, or a portion thereof, as a standard enforceable by the division pursuant to Section 6317; provided, however, if a federal standard or portion thereof is adopted which replaces an existing state standard or portion thereof, the federal standard shall be as effective as the state standard or portion thereof. No adoption of or amendment to any federal standard, or portion thereof shall be subject to Article 5 (commencing with Section 11346) and Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(C) Any state standard adopted pursuant to subparagraph (A) or (B) shall become effective at the time the standard is filed with the Secretary of State, unless otherwise provided, but shall not take effect before the effective date of the equivalent federal standard and shall remain in effect for six months unless readopted by the board for an additional six months or superseded by a standard adopted by the board pursuant to paragraph (2) of subdivision (a).

(D) Any standard adopted pursuant to subparagraph (A), (B), or (C), shall be published in Title 8 of the California Code of Regulations in a



manner similar to any other standards adopted pursuant to paragraphs (1) and (2) of subdivision (a) of this section.

(b) The State Building Standards Commission shall codify and publish in a semiannual supplement to the California Building Standards Code, or in a more frequent supplement if required by federal law, all occupational safety and health standards that would otherwise meet the definition of a building standard described in Section 18909 of the Health and Safety Code adopted by the board in the State Building Standards Code without reimbursement from the board. These occupational safety and health standards may also be published by the Occupational Safety and Health Standards Board in other provisions in Title 8 of the California Code of Regulations prior to publication in the California Building Standards Code if that other publication includes an appropriate identification of occupational safety and health standards contained in the other publication.

(c) Any occupational safety or health standard or order promulgated under this section shall prescribe the use of labels or other appropriate forms of warning as are necessary to ensure that employees are apprised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions and precautions for safe use or exposure. Where appropriate, these standards or orders shall also prescribe suitable protective equipment and control or technological procedures to be used in connection with these hazards and shall provide for monitoring or measuring employee exposure at such locations and intervals and in a manner as may be necessary for the protection of employees. In addition, where appropriate, the occupational safety or health standard or order shall prescribe the type and frequency of medical examinations or other tests which shall be made available, by the employer or at his or her cost, to employees exposed to such hazards in order to most effectively determine whether the health of such employee is adversely affected by this exposure.

(d) The results of these examinations or tests shall be furnished only to the Division of Occupational Safety and Health, the State Department of Health Services, any other authorized state agency, the employer, the employee, and, at the request of the employee, to his or her physician.

SEC. 42. Section 142.6 of the Labor Code is repealed.

SEC. 43. Section 1777.5 of the Labor Code is amended to read:

1777.5. (a) Nothing in this chapter shall prevent the employment of properly registered apprentices upon public works.

(b) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.



(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) When the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman



and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Chief of the Division of Apprenticeship Standards, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section that has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Chief of the Division of Apprenticeship Standards may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.



(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) When an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) At the conclusion of the 2003–04 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Division of Apprenticeship Standards for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The funds shall be distributed as follows:

(A) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training



contributions were made to the council, a grant to that program shall be made.

(B) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and geographic area for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices registered in each program.

(C) All training contributions not distributed under subparagraphs (A) and (B) shall be used to defray the future expenses of the Division of Apprenticeship Standards.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the Apprenticeship Training Contribution Fund is hereby continuously appropriated for the purpose of carrying out this subdivision and to pay the expenses of the Division of Apprenticeship Standards.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) All decisions of an apprenticeship program under this section are subject to Section 3081.

SEC. 44. Section 830.5 of the Penal Code is amended to read:

830.5. The following persons are peace officers whose authority extends to any place in the state while engaged in the performance of the duties of their respective employment and for the purpose of carrying out the primary function of their employment or as required under Sections 8597, 8598, and 8617 of the Government Code. Except as specified in this section, these peace officers may carry firearms only if authorized and under those terms and conditions specified by their employing agency:

(a) A parole officer of the Department of Corrections or the Department of the Youth Authority, probation officer, deputy probation officer, or a board coordinating parole agent employed by the Youthful Offender Parole Board. Except as otherwise provided in this subdivision, the authority of these parole or probation officers shall extend only as follows:



(1) To conditions of parole or of probation by any person in this state on parole or probation.

(2) To the escape of any inmate or ward from a state or local institution.

(3) To the transportation of persons on parole or probation.

(4) To violations of any penal provisions of law which are discovered while performing the usual or authorized duties of his or her employment.

(5) To the rendering of mutual aid to any other law enforcement agency.

For the purposes of this subdivision, “parole agent” shall have the same meaning as parole officer of the Department of Corrections or of the Department of the Youth Authority.

Any parole officer of the Department of Corrections, the Department of the Youth Authority, or the Youthful Offender Parole Board is authorized to carry firearms, but only as determined by the director on a case-by-case or unit-by-unit basis and only under those terms and conditions specified by the director or chairperson. The Department of the Youth Authority shall develop a policy for arming peace officers of the Department of the Youth Authority who comprise “high-risk transportation details” or “high-risk escape details” no later than June 30, 1995. This policy shall be implemented no later than December 31, 1995.

The Department of the Youth Authority shall train and arm those peace officers who comprise tactical teams at each facility for use during “high-risk escape details.”

(b) A correctional officer employed by the Department of Corrections or any employee of the Department of the Youth Authority having custody of wards or the Inspector General of the Youth and Adult Correctional Agency or any internal affairs investigator under the authority of the Inspector General or any employee of the Department of Corrections designated by the Director of Corrections or any correctional counselor series employee of the Department of Corrections or any medical technical assistant series employee designated by the Director of Corrections or designated by the Director of Corrections and employed by the State Department of Mental Health or employee of the Board of Prison Terms designated by the Secretary of the Youth and Adult Correctional Agency or employee of the Department of the Youth Authority designated by the Director of the Youth Authority or any superintendent, supervisor, or employee having custodial responsibilities in an institution operated by a probation department, or any transportation officer of a probation department.



(c) The following persons may carry a firearm while not on duty: a parole officer of the Department of Corrections or the Department of the Youth Authority, a correctional officer or correctional counselor employed by the Department of Corrections or any employee of the Department of the Youth Authority having custody of wards or any employee of the Department of Corrections designated by the Director of Corrections. A parole officer of the Youthful Offender Parole Board may carry a firearm while not on duty only when so authorized by the chairperson of the board and only under the terms and conditions specified by the chairperson. Nothing in this section shall be interpreted to require licensure pursuant to Section 12025. The director or chairperson may deny, suspend, or revoke for good cause a person's right to carry a firearm under this subdivision. That person shall, upon request, receive a hearing, as provided for in the negotiated grievance procedure between the exclusive employee representative and the Department of Corrections, the Department of the Youth Authority, or the Youthful Offender Parole Board, to review the director's or the chairperson's decision.

(d) Persons permitted to carry firearms pursuant to this section, either on or off duty, shall meet the training requirements of Section 832 and shall qualify with the firearm at least quarterly. It is the responsibility of the individual officer or designee to maintain his or her eligibility to carry concealable firearms off duty. Failure to maintain quarterly qualifications by an officer or designee with any concealable firearms carried off duty shall constitute good cause to suspend or revoke that person's right to carry firearms off duty.

(e) The Department of Corrections shall allow reasonable access to its ranges for officers and designees of either department to qualify to carry concealable firearms off duty. The time spent on the range for purposes of meeting the qualification requirements shall be the person's own time during the person's off-duty hours.

(f) The Director of Corrections shall promulgate regulations consistent with this section.

(g) "High-risk transportation details" and "high-risk escape details" as used in this section shall be determined by the Director of the Youth Authority, or his or her designee. The director, or his or her designee, shall consider at least the following in determining "high-risk transportation details" and "high-risk escape details": protection of the public, protection of officers, flight risk, and violence potential of the wards.

(h) "Transportation detail" as used in this section shall include transportation of wards outside the facility, including, but not limited to, court appearances, medical trips, and interfacility transfers.



SEC. 45. Section 1203.1d of the Penal Code is amended to read:

1203.1d. (a) In determining the amount and manner of disbursement under an order made pursuant to this code requiring a defendant to make reparation or restitution to a victim of a crime, to pay any money as reimbursement for legal assistance provided by the court, to pay any cost of probation or probation investigation, to pay any cost of jail or other confinement, or to pay any other reimbursable costs, the court, after determining the amount of any fine and penalty assessments, and a county financial evaluation officer when making a financial evaluation, shall first determine the amount of restitution to be ordered paid to any victim, and shall then determine the amount of the other reimbursable costs.

If payment is made in full, the payment shall be apportioned and disbursed in the amounts ordered by the court.

If reasonable and compatible with the defendant's financial ability, the court may order payments to be made in installments.

(b) With respect to installment payments and amounts collected by the Franchise Tax Board pursuant to Section 19280 of the Revenue and Taxation Code and subsequently transferred by the Controller pursuant to Section 19282 of the Revenue and Taxation Code, the board of supervisors shall provide that disbursements be made in the following order of priority:

(1) Restitution ordered to, or on behalf of, the victim pursuant to subdivision (f) of Section 1202.4.

(2) The state surcharge ordered pursuant to Section 1465.7.

(3) Any fines, penalty assessments, and restitution fines ordered pursuant to subdivision (b) of Section 1202.4. Payment of each of these items shall be made on a proportional basis to the total amount levied for all of these items.

(4) Any other reimburseable costs.

(c) The board of supervisors shall apply these priorities of disbursement to orders or parts of orders in cases where defendants have been ordered to pay more than one court order.

(d) Documentary evidence, such as bills, receipts, repair estimates, insurance payment statements, payroll stubs, business records, and similar documents relevant to the value of the stolen or damaged property, medical expenses, and wages and profits lost shall not be excluded as hearsay evidence.

SEC. 46. Section 1465.7 is added to the Penal Code, to read:

1465.7. (a) A state surcharge of 20 percent shall be levied on the base fine used to calculate the state penalty assessment as specified in subdivision (a) of Section 1464.

(b) This surcharge shall be in addition to the state penalty assessed pursuant to Section 1464 of the Penal Code and may not be included in the base fine used to calculate the state penalty assessment as specified in subdivision (a) of Section 1464.

(c) After a determination by the court of the amount due, the clerk of the court shall cause the amount of the state surcharge collected to be transmitted to the General Fund.

(d) Notwithstanding Chapter 12 (commencing with Section 76000) of Title 8 of the Government Code and subdivision (b) of Section 68090.8 of the Government Code, the full amount of the surcharge shall be transmitted to the State Treasury to be deposited in the General Fund. Of the amount collected from the total amount of the fines, penalties, and surcharges imposed, the amount of the surcharge established by this section shall be transmitted to the State Treasury to be deposited in the General Fund.

(e) When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making the deposit shall also deposit a sufficient amount to include the surcharge prescribed by this section.

(f) When amounts owed by an offender as a result of a conviction are paid in installment payments, payments shall be credited pursuant to Section 1203.1d. The amount of the surcharge established by this section shall be transmitted to the State Treasury prior to the county retaining or disbursing the remaining amount of the fines, penalties, and forfeitures imposed.

(g) This section shall become inoperative on July 1, 2007, and as of January 1, 2008, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2008, deletes or extends that date.

SEC. 47. Section 2933.3 is added to the Penal Code, to read:

2933.3. Notwithstanding any other provision of law, any inmate assigned to a conservation camp by the Department of Corrections who is eligible to earn one day of worktime credit for every one day of service pursuant to Section 2933 shall instead earn two days of worktime credit for every one day of service. This enhanced worktime credit shall only apply to service performed after January 1, 2003.

SEC. 48. Section 6045.8 of the Penal Code is amended to read:

6045.8. The Board of Corrections, in consultation with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, shall create an evaluation design for mentally ill offender crime reduction grants that will assess the effectiveness of the program in reducing crime, the number of early releases due to jail overcrowding, and local criminal justice costs. Commencing on June 30, 2000, and annually thereafter, the board shall submit a report to the



Legislature based on the evaluation design, with an interim report due on March 1, 2003, and a final report due on December 31, 2004.

SEC. 49. Section 13601 of the Penal Code is amended to read:

13601. (a) The CPOST shall develop, approve, and monitor standards for the selection and training of state correctional peace officer apprentices. Any standard for selection established under this subdivision shall be subject to approval by the State Personnel Board. Using the psychological and screening standards established by the State Personnel Board, the State Personnel Board or the Department of the Youth Authority shall ensure that, prior to training, each applicant who has otherwise qualified in all physical and other testing requirements to be a peace officer in either a youth or adult correctional facility, is determined to be free from emotional or mental conditions that might adversely affect the exercise of his or her duties and powers as a peace officer.

(b) The CPOST may approve standards for a course in the carrying and use of firearms for correctional peace officers that is different from that prescribed pursuant to Section 832. The standards shall take into consideration the different circumstances presented within the institutional setting from that presented to other law enforcement agencies outside the correctional setting.

(c) Notwithstanding Section 3078 of the Labor Code, the length of the probationary period for correctional peace officer apprentices shall be determined by the CPOST subject to approval by the State Personnel Board, pursuant to Section 19170 of the Government Code.

(d) The CPOST shall develop, approve, and monitor standards for advanced rank-and-file and supervisory state correctional peace officer and training programs. When a correctional peace officer is promoted, he or she shall be provided with and be required to complete these secondary training experiences.

(e) The CPOST shall develop, approve, and monitor standards for the training of state correctional peace officers in the handling of stress associated with their duties.

(f) Toward the accomplishment of the objectives of this act, the CPOST may confer with, and may avail itself of the assistance and recommendations of, other state and local agencies, boards, or commissions.

(g) Notwithstanding the authority of the CPOST, the departments shall design and deliver training programs, shall conduct validation studies, and shall provide program support. The CPOST shall monitor program compliance by the departments.



(h) The CPOST may disapprove any training courses created by the departments pursuant to the standards developed by the commission if it determines that the courses do not meet the prescribed standards.

(i) The CPOST shall annually submit an estimate of costs to conduct those inquiries and audits as may be necessary to determine whether the departments and each of their institutions and parole regions are adhering to the standards developed by CPOST, and shall conduct such inquiries and audits consistent with the annual Budget Act.

(j) The CPOST shall establish and implement procedures for reviewing and issuing decisions concerning complaints or recommendations from interested parties regarding CPOST rules, regulations, standards, or decisions.

SEC. 50. Section 309.5 of the Public Utilities Code is amended to read:

309.5. (a) There is within the commission a division to represent the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the division shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels. The amendments made to this section during the 2001 portion of the 2001–02 Regular Session are not intended to expand the representation and responsibilities of the division.

(b) The director of the division shall be appointed by and serve at the pleasure of the Governor, subject to confirmation by the Senate. The director shall annually appear before the appropriate policy committees of the Assembly and the Senate to report on the activities of the division.

(c) The commission shall, by rule or order, provide for the assignment of personnel to, and the functioning of, the division. The division may employ experts necessary to carry out its functions. Personnel and resources shall be provided to the division at a level sufficient to ensure that customer and subscriber interests are fairly represented in all significant proceedings.

(d) The commission shall develop appropriate procedures to ensure that the existence of the division does not create a conflict of roles for any employee or his or her representative. The procedures shall include, but shall not be limited to, the development of a code of conduct and procedures for ensuring that advocates and their representatives on a particular case or proceeding are not advising decisionmakers on the same case or proceeding.

(e) The division may compel the production or disclosure of any information it deems necessary to perform its duties from entities regulated by the commission provided that any objections to any request for information shall be decided in writing by the assigned



commissioner or by the president of the commission if there is no assigned commissioner.

(f) There is hereby created the Public Utilities Commission Ratepayer Advocate Account in the General Fund. Moneys from the Public Utilities Commission Utilities Reimbursement Account in the General Fund shall be transferred in the annual Budget Act to the Public Utilities Commission Ratepayer Advocate Account. The funds in the Public Utilities Commission Ratepayer Advocate Account shall be utilized exclusively by the division in the performance of its duties. The commission shall annually submit a staffing report containing a comparison of the staffing levels for each five-year period.

(g) On or before January 10 of each year, the commission shall provide to the chairperson of the fiscal committee of each house of the Legislature and to the Joint Legislative Budget Committee all of the following information:

(1) The number of personnel years assigned to the Office of Ratepayer Advocates.

(2) The total dollars expended by the Office of Ratepayer Advocates in the prior year, the estimated total dollars expended in the current year, and the total dollars proposed for appropriation in the following budget year.

(3) Workload standards and measures for the Office of Ratepayer Advocates.

(h) The division shall agree to meet and confer in an informal setting with a regulated entity prior to issuing a report or pleading to the commission regarding alleged misconduct, or a violation of a law or a commission rule or order, raised by the division in a complaint. The meet and confer process shall be utilized as an informal means of attempting to reach resolution or consensus on issues raised by the division regarding any regulated entity in the complaint proceeding.

SEC. 51. Section 3340 of the Public Utilities Code is amended to read:

3340. The authority is authorized and empowered to do any of the following:

(a) Adopt an official seal.

(b) Sue and be sued in its own name.

(c) Employ or contract with officers and employees to administer the authority. The authority may contract for the services of a chief executive officer, who shall serve at the pleasure of the board. If the chief executive officer contracts for the services of any other officer or employee, the contract shall be subject to the approval of the board.

(d) Exercise the power of eminent domain.



(e) Adopt rules and regulations for the regulation of its affairs and the conduct of its business.

(f) Do all things generally necessary or convenient to carry out its powers under, and the purposes of, this division.

SEC. 52. Section 13563 of the Revenue and Taxation Code is amended to read:

13563. (a) For purposes of determining interest on overpayments for periods beginning before July 1, 2002, interest shall be allowed and paid upon any overpayment of tax due under this part in the same manner as provided in Sections 6621(a)(1) and 6622 of the Internal Revenue Code.

(b) For purposes of determining interest on overpayments for periods beginning on or after July 1, 2002, interest shall be allowed and paid upon any overpayment of tax due under this part at the lesser of the following:

(1) Five percent.

(2) The bond equivalent rate of 13-week United States Treasury bills, determined as follows:

(A) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of January shall be utilized for determining the appropriate rate for the following July 1 to December 31, inclusive.

(B) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of July shall be utilized for determining the appropriate rate for the following January 1 to June 30, inclusive.

(c) For purposes of subdivision (b), in computing the amount of any interest required to be paid by the state, that interest shall be computed as simple interest, not compound interest.

SEC. 53. Section 19521 of the Revenue and Taxation Code, as amended by Section 33 of Chapter 35 of the Statutes of 2002, is amended to read:

19521. (a) The rate established under this section (referred to in other code sections as “the adjusted annual rate”) shall be determined in accordance with Section 6621 of the Internal Revenue Code, except that:

(1) (A) For taxpayers other than corporations, the overpayment rate specified in Section 6621(a)(1) of the Internal Revenue Code shall be modified to be equal to the underpayment rate determined under Section 6621(a)(2) of the Internal Revenue Code.

(B) In the case of any corporation, for purposes of determining interest on overpayments for periods beginning before July 1, 2002, the overpayment rate specified in Section 6621(a)(1) of the Internal



Revenue Code shall be modified to be equal to the underpayment rate determined under Section 6621(a)(2) of the Internal Revenue Code.

(C) In the case of any corporation, for purposes of determining interest on overpayments for periods beginning on or after July 1, 2002, the overpayment rate specified in Section 6621(a)(1) of the Internal Revenue Code shall be modified to be the lesser of 5 percent or the bond equivalent rate of 13-week United States Treasury bills, determined as follows:

(i) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of January shall be utilized in determining the appropriate rate for the following July 1 to December 31, inclusive.

(ii) The bond equivalent rate of 13-week United States Treasury bills established at the first auction held during the month of July shall be utilized in determining the appropriate rate for the following January 1 to June 30, inclusive.

(2) The determination specified in Section 6621(b) of the Internal Revenue Code shall be modified to be determined semiannually as follows:

(A) The rate for January shall apply during the following July through December, and

(B) The rate for July shall apply during the following January through June.

(b) (1) For purposes of this part, Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), and any other provision of law referencing this method of computation, in computing the amount of any interest required to be paid by the state or by the taxpayer, or any other amount determined by reference to that amount of interest, that interest and that amount shall be compounded daily.

(2) Paragraph (1) shall not apply for purposes of computing the amount of any addition to tax under Section 19136 or 19142.

(c) Section 6621(c) of the Internal Revenue Code, relating to increase in underpayment rate for large corporate underpayments, is modified as follows:

(1) The applicable date shall be the 30th day after the earlier of either of the following:

(A) The date on which the proposed deficiency assessment is issued.

(B) The date on which the notice and demand is sent.

(2) This subdivision shall apply for purposes of determining interest for periods after December 31, 1991.

(3) Section 6621(c)(2)(B)(iii) of the Internal Revenue Code shall apply for purposes of determining interest for periods after December 31, 1998.



(d) Section 6621(d) of the Internal Revenue Code, relating to the elimination of interest on overlapping periods of tax overpayments and underpayments, shall not apply.

SEC. 54. Section 30018 is added to the Revenue and Taxation Code, to read:

30018. (a) “Stamps and meter impressions” means the indicia of payment of tax, as required by Section 30161, and include, but are not limited to, stamps, meter impressions, or any other indicia developed using current technology.

(b) The board shall prescribe and approve the types of stamps and meter impressions, and the methods of applying stamps and meter impressions to packages of cigarettes.

SEC. 55. Section 40016 of the Revenue and Taxation Code is amended to read:

40016. (a) A surcharge is imposed on the consumption in this state of electrical energy purchased from an electric utility on and after January 1, 2003, at the rate of three-tenths mill (\$0.0003) per kilowatt-hour, or at the rate determined pursuant to subdivision (b).

(b) The Energy Commission shall fix the rate at a public meeting in each November for each calendar year starting the following January. Under no circumstances may the rate fixed exceed three-tenths mill (\$0.0003) per kilowatt-hour. If the commission fails to fix the rate in any November, the surcharge shall continue at the rate in effect during that November.

SEC. 56. Section 13260 of the Water Code is amended to read:

13260. (a) All of the following persons shall file with the appropriate regional board a report of the discharge, containing the information which may be required by the regional board:

(1) Any person discharging waste, or proposing to discharge waste, within any region that could affect the quality of the waters of the state, other than into a community sewer system.

(2) Any person who is a citizen, domiciliary, or political agency or entity of this state discharging waste, or proposing to discharge waste, outside the boundaries of the state in a manner that could affect the quality of the waters of the state within any region.

(3) Any person operating, or proposing to construct, an injection well.

(b) No report of waste discharge need be filed pursuant to subdivision (a) if the requirement is waived pursuant to Section 13269.

(c) Every person subject to subdivision (a) shall file with the appropriate regional board a report of waste discharge relative to any material change or proposed change in the character, location, or volume of the discharge.



(d) (1) Each person for whom waste discharge requirements have been prescribed pursuant to Section 13263 shall submit an annual fee not to exceed twenty thousand dollars (\$20,000), according to a reasonable fee schedule established by the state board. Fees shall be calculated on the basis of total flow, volume, number of animals, threat to water quality, or area involved.

(2) (A) Subject to subparagraph (B), any fees collected pursuant to this section shall be deposited in the Waste Discharge Permit Fund which is hereby created. The money in the fund is available for expenditure by the state board, upon appropriation by the Legislature, for the purposes of carrying out this division.

(B) (i) Notwithstanding subparagraph (A), the fees collected pursuant to this section from stormwater dischargers that are subject to a general industrial or construction stormwater permit under the national pollutant discharge elimination system (NPDES) shall be separately accounted for in the Waste Discharge Permit Fund.

(ii) Not less than 50 percent of the money in the Waste Discharge Permit Fund that is separately accounted for pursuant to clause (i) is available, upon appropriation by the Legislature, for expenditure by the regional board with jurisdiction over the permitted industry or construction site that generated the fee to carry out stormwater programs in the region.

(iii) Each regional board that receives money pursuant to clause (ii) shall spend not less than 50 percent of that money solely on stormwater inspection and regulatory compliance issues associated with industrial and construction stormwater programs.

(3) Any person who would be required to pay the annual fee prescribed by paragraph (1) for waste discharge requirements applicable to discharges of solid waste, as defined in Section 40191 of the Public Resources Code, at a waste management unit that is also regulated under Division 30 (commencing with Section 40000) of the Public Resources Code, and who is or will be subject to the fee imposed pursuant to Section 46801 of the Public Resources Code in the same fiscal year, shall be entitled to a waiver of the annual fee for the discharge of solid waste at the waste management unit imposed by paragraph (1) upon verification by the state board of payment of the fee imposed by Section 48000 of the Public Resources Code, and provided that the fee established pursuant to Section 48000 of the Public Resources Code generates revenues sufficient to fund the programs specified in Section 48004 of the Public Resources Code and the amount appropriated by the Legislature for those purposes is not reduced.

(4) The maximum fee amount set forth in paragraph (1) of subdivision (d) shall be adjusted annually to reflect increases or

decreases in the cost of living as measured by the Consumer Price Index prepared by the Department of Industrial Relations or a successor agency.

(e) Each report of waste discharge for a new discharge submitted under this section shall be accompanied by a fee equal in amount to the annual fee for the discharge. If waste discharge requirements are issued, the fee shall serve as the first annual fee. If waste discharge requirements are waived pursuant to Section 13269, all or part of the fee shall be refunded.

(f) (1) The state board shall adopt, by emergency regulations, a schedule of fees authorized under subdivisions (d) and (j). The total revenue collected each year through annual fees shall be set at an amount equal to the revenue levels set forth in the Budget Act for this activity. The state board shall automatically adjust the annual fees each fiscal year to conform with the revenue levels set forth in the Budget Act for this activity. If the state board determines that the revenue collected during the preceding year was greater than, or less than, the revenue levels set forth in the Budget Act, the state board may further adjust the annual fees to compensate for the over and under collection of revenue.

(2) The emergency regulations adopted pursuant to this subdivision, any amendment thereto, or subsequent adjustments to the annual fees, shall be adopted by the state board in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulations adopted by the state board, or adjustments to the annual fees made by the state board pursuant to this section, shall not be subject to review by the Office of Administrative Law and shall remain in effect until revised by the state board.

(g) The state board shall adopt regulations setting forth reasonable time limits within which the regional board shall determine the adequacy of a report of waste discharge submitted under this section.

(h) Each report submitted under this section shall be sworn to, or submitted under penalty of perjury.

(i) The regulations adopted by the state board pursuant to subdivision (f) shall include a provision that annual fees shall not be imposed on those who pay fees under the National Pollutant Discharge Elimination System until the time when those fees are again due, at which time the fees shall become due on an annual basis.



(j) Facilities for confined animal feeding or holding operations, including dairy farms, which have been issued waste discharge requirements or exempted from waste discharge requirements prior to January 1, 1989, are exempt from subdivision (d). If the facility is required to file a report under subdivision (c) after January 1, 1989, the report shall be accompanied by a filing fee, to be established by the state board in accordance with subdivision (f), not to exceed two thousand dollars (\$2,000), and the facility shall be exempt from any annual fee.

(k) Any person operating or proposing to construct an oil, gas, or geothermal injection well subject to paragraph (3) of subdivision (a), shall not be required to pay a fee pursuant to subdivision (d), if the injection well is regulated by the Division of Oil and Gas of the Department of Conservation, in lieu of the appropriate California regional water quality control board, pursuant to the memorandum of understanding, entered into between the state board and the Department of Conservation on May 19, 1988. This subdivision shall remain operative until the memorandum of understanding is revoked by the state board or the Department of Conservation.

(l) In addition to the report required by subdivision (a), before any person discharges mining waste, the person shall first submit the following to the regional board:

(1) A report on the physical and chemical characteristics of the waste that could affect its potential to cause pollution or contamination. The report shall include the results of all tests required by regulations adopted by the board, any test adopted by the Department of Toxic Substances Control pursuant to Section 25141 of the Health and Safety Code for extractable, persistent, and bioaccumulative toxic substances in a waste or other material, and any other tests that the state board or regional board may require, including, but not limited to, tests needed to determine the acid-generating potential of the mining waste or the extent to which hazardous substances may persist in the waste after disposal.

(2) A report that evaluates the potential of the discharge of the mining waste to produce, over the long term, acid mine drainage, the discharge or leaching of heavy metals, or the release of other hazardous substances.

(m) Except upon the written request of the regional board, a report of waste discharge need not be filed pursuant to subdivision (a) or (c) by a user of recycled water that is being supplied by a supplier or distributor of recycled water for whom a master recycling permit has been issued pursuant to Section 13523.1.

SEC. 57. Section 3053 of the Welfare and Institutions Code is amended to read:

3053. (a) If at any time following receipt at the facility of a person committed pursuant to this article, the Director of Corrections concludes



that the person, because of excessive criminality or for other relevant reason, including the person's eligibility for treatment pursuant to Section 1210.1 of the Penal Code, is not a fit subject for confinement or treatment in the narcotic detention, treatment, and rehabilitation facility, he or she shall return the person to the court in which the case originated for further proceedings on the criminal charges that the court may deem warranted.

(b) A person committed pursuant to this article who is subsequently committed to the Director of Corrections pursuant to Section 1168 or 1170 of the Penal Code shall not be a fit subject for treatment pursuant to this article. The court committing the person to the Director of Corrections pursuant to Section 1168 or 1170 of the Penal Code shall immediately notify the court that originally committed the person pursuant to this article. Upon receipt of the person committed pursuant to Section 1168 or 1170 of the Penal Code or upon notification of such commitment, whichever is sooner, the Director of Corrections shall notify the court that committed the person pursuant to this article of the subsequent commitment. Upon receipt of notification of the subsequent commitment the court that had committed the person pursuant to this article shall automatically terminate the commitment and shall promptly set for hearing the matter of further proceedings on the criminal charges.

(c) If the defendant was originally committed pursuant to Section 3050 or 3051, the committing court, if the criminal proceedings were conducted in another court, shall notify that court that adjourned its criminal proceedings or suspended sentence in the case pending the civil commitment. In that event, that criminal court shall then promptly set for hearing the matter of the sentencing of the defendant upon the conviction that subsequently resulted in the original civil commitment.

SEC. 58. Section 3055 is added to the Welfare and Institutions Code, to read:

3055. The Director of Corrections is authorized to establish a limit on the number of persons that may be committed to the narcotic detention, treatment, and rehabilitation facility pursuant to this chapter. In order to achieve this limit, the director may refer a person back to the court in which the case originated for such further proceedings as that court may deem necessary.

SEC. 59. (a) If a case management system is funded in Item 8350-001-0001 of the Budget Act of 2002, that system shall be made accessible as follows:

(1) The Department of Industrial Relations shall procure a Case Management System that has the capability to ultimately provide the public with free, web-based access to a searchable database containing all of the following information:



(A) The status of all complaints, citations, and administrative proceedings.

(B) The name of the investigator and attorney assigned to a matter, when applicable.

(C) The final disposition of all complaints, citations, and administrative proceedings.

(2) The department shall take appropriate steps to ensure compliance with all applicable legal requirements regarding the privacy rights of employees and witnesses.

(b) It is the intent of the Legislature that when the database is operational, it will provide the public with information similar to the information provided by the federal courts through their PACER system, <https://pacer.uspci.uscourts.gov/index.html>, and offered by the Establishment Search of the Occupational Safety and Health Administration at <http://155.103.6.10/cgi-bin/est/est1>.

SEC. 60. (a) The Legislature finds and declares all of the following:

(1) The juvenile arrest rate in California has declined dramatically over the last several years. From 1995 to 2000, inclusive, the felony arrest rate for juveniles dropped over 34 percent; from 1980 to 2000, inclusive, the felony juvenile arrest rate declined 50 percent. During the same 20-year period, the total juvenile arrest rate dropped over 38 percent.

(2) County probation departments now supervise approximately 97 percent of all juvenile offenders; the remaining 3 percent are committed to the Department of the Youth Authority.

(3) Commitments to the Department of the Youth Authority have dropped by almost 40 percent since 1995 to 1996, inclusive.

(4) Despite the significant decline in the number of persons committed to the Youth Authority, the Department of the Youth Authority continues to operate the same number of institutions and camps as it did when its population peaked at over 10,000 wards. The department similarly continues to expend an annual budget exceeding four hundred million dollars (\$400,000,000).

(5) As a result of the Department of the Youth Authority's drop in population and continued operation of all of its facilities, the cost-per-ward at the Youth Authority is about fifty thousand dollars (\$50,000) per year.

(6) In these fiscally challenging times, prudent public policy dictates that the Department of Youth Authority consolidate its facilities and programs to reflect its reduced population.

(7) It is the intent of the Legislature that the Department of the Youth Authority produce a viable plan for closing three of its facilities in a manner that achieves fiscal savings for the state and assures public safety

through sound correctional programming consistent with the requirements of Chapter 1 (commencing with Section 1700) of Division 2.5 of the Welfare and Institutions Code.

(b) (1) The Department of the Youth Authority shall submit to the Department of Finance and the fiscal committees of the Legislature on or before November 1, 2002, a written plan to close at least three facilities by June 30, 2007.

(2) The Department of the Youth Authority shall close at least one facility pursuant to the plan required by this subdivision not later than June 30, 2004.

(c) The plan submitted pursuant to subdivision (b) shall include, but not be limited to, the following information regarding the proposed closure or closures:

(1) Identification of the facilities proposed for closure.

(2) The basis for selecting the facilities for closure.

(3) The basis for not selecting the facilities that are not proposed for closure.

(4) A description of the land and buildings that would be affected by the proposed closures.

(5) Potential alternative uses for the land and buildings that would be affected by the proposed closures, including, but not limited to, sale or lease of the property.

(6) A description of existing lease arrangements, if any, regarding the facilities proposed for closure.

(7) Projected savings to the department from the proposed closures.

(8) Projected costs to the department for implementing the plan.

(9) A proposed timetable for implementing the plan.

(10) The number and classification of positions affected by the proposed closures, including proposed reassignment plans for current staff located at the facilities proposed to be closed, and anticipated attrition of affected staff through retirement, resignation or other reasons.

(11) A description of treatment programs that will be required to be moved to or expanded at other facilities as a result of the proposed closures.

(12) A proposed relocation plan for wards who will have to be moved as a result of the proposed closures.

(13) A description of any changes that will have to be made at any facilities not proposed for closure as a result of the proposed closures.

(14) A description of any systemwide improvements recommended by the department as essential to effect a smooth and orderly reduction of the total number of facilities.

(15) Any additional information deemed relevant by the department.



(d) The department shall consult with the Department of General Services in preparing the written plan required by this section, and shall be available to confer with the Legislature during the preparation of the plan concerning its status and any issues of concern.

SEC. 61. Money in the Renewable Resource Trust Fund may be expended as a loan to repay the startup loans provided by the General Fund to the California Consumer Power and Conservation Financing Authority, in an amount not to exceed eight million nine hundred thousand dollars (\$8,900,000). The loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer and shall be repaid from revenues deposited in the California Consumer Power and Conservation Financing Authority Fund pursuant to Chapter 10 of the Statutes of 2001 (First Extraordinary Session). The authority shall repay at least one million dollars (\$1,000,000) of the amount loaned pursuant to this section by June 20, 2003. Any remaining loan amount shall be repaid by June 30, 2004. If any amount loaned pursuant to this section remains outstanding on July 1, 2004, the outstanding loan amount shall be converted to a loan from the Energy Resources Programs Account and the outstanding balance with accrued interest shall be transferred from the Energy Resources Programs Account to the Renewable Resources Trust Fund.

SEC. 62. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

SEC. 63. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2002, with respect to the funding of programs relating to state and local government, it is necessary that this act go into immediate effect.

